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Senate Hearings

Before the Committee on Appropriations

Department of Defense Appropriations

Fiscal Year 2012

112th CONGRESS, FIRST SESSION

H.R. 2219

DEPARTMENT OF DEFENSE
NONDEPARTMENTAL WITNESSES

Department of Defense Appropriations, 2012 (H.R. 2219)

**DEPARTMENT OF DEFENSE APPROPRIATIONS FOR
FISCAL YEAR 2012**

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

ON

H.R. 2219

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, AND FOR
OTHER PURPOSES

**Department of Defense
Nondepartmental Witnesses**

Printed for the use of the Committee on Appropriations



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**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

TUESDAY, MARCH 1, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:34 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Mikulski, Reed, Cochran, Alexander, Collins, and Murkowski.

DEPARTMENT OF DEFENSE

STATEMENT OF WILLIAM J. LYNN III, DEPUTY SECRETARY OF DEFENSE

ACCOMPANIED BY ROBERT F. HALE, UNDER SECRETARY OF DEFENSE, COMPTROLLER

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. Good morning. This morning marks our first Defense Appropriations Committee hearing of the 112th Congress. And I would like to remind my colleagues and the new members of the subcommittee that our first defense hearing of the year is typically reserved for the rollout of the coming year's budget.

However, this morning, we will hear from Deputy Secretary of Defense Mr. William Lynn and the Under Secretary of Defense, the Comptroller, Mr. Robert Hale regarding the impact of a long-term continuing resolution on the Department of Defense. Today marks the first 5 months into the fiscal year 2011 and 3 days before the current continuing resolution expires.

The path forward on completing the appropriations bills for fiscal year 2011 is still challenging. Unless cooler heads prevail and both houses of Congress begin to make progress on passing this year's budget, there remains the possibility that the whole Government could be funded through a full-year continuing resolution. This hearing is intended to examine the consequences of putting the defense budget on autopilot for the next 7 months.

We have military men and women fighting a war in Afghanistan, training forces in Iraq so that we can safely draw down our forces there, and operating around the globe to protect our national security. Yet under the current funding situation, each of the military services has already been adversely impacted by the current continuing resolution.

The readiness of our forces is beginning to be threatened as flying hours and steaming days are reduced, exercises and training events are canceled, equipment is foregoing much-needed maintenance, and the list goes on and on.

The Department's acquisition programs are also being adversely impacted. The Army has no funds to refurbish war-torn, high-mobility, multipurpose Humvees, which means that 300 personnel have been released from two critical Army maintenance depots. The Navy cannot award contracts for a second Virginia-class submarine, a second DDG-51, or the first Mobile Landing Platform. The Air Force will not be able to procure additional MQ-9 Reaper unmanned aerial vehicles to increase the number of much-needed combat air patrols in Afghanistan. And these are just but a few examples.

The military personnel accounts will face serious shortfalls if forced to operate at the fiscal year 2010 funding levels for the rest of the year. The Navy would be underfunded by \$456 million, the Marine Corps by \$468 million, and the Air Force would experience a \$1 billion shortfall in military personnel accounts.

The Defense Health Program would have to reduce the number of hours on patient care provider contracts and take other actions that will have an adverse effect on the quality and timeliness of medical care and resources for our military and their families.

The list of affected programs and challenges goes on and on, but ultimately, it is the men and women in uniform that will pay the price. Secretary Gates summed it up best in late January when he said that continuing work under a continuing resolution would be "the worst of all possible reductions." He went on to say, "That is how you hollow out a military, even in wartime."

So, Mr. Secretary and Mr. Hale, I look forward to hearing more from you about the specific actions the Department will have to take if forced to operate under a continuing resolution for the remainder of the fiscal year.

But first, let me turn to Vice Chairman Cochran for his opening remarks.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I join you in welcoming our distinguished witnesses to the subcommittee today. We appreciate their service to the Government and their continued willingness to serve in these important positions of responsibility with respect to the Department of Defense.

We are kind of up against it, as they say down home. When you look at the facts about the needs and the funds that are required to maintain our deployments in key places around the world that are important to our national security, and then compare that with the reality of the squeeze on the budget and the lack of funds being requested for some programs that really need more funding than are being requested by the administration.

So we have a hill to climb. We have a big challenge. And your being here and keeping it in perspective for us, and letting us know what the realities are from your point of view is a very helpful part of the process, and we thank you for your cooperation with our committee and your presence here today.

Chairman INOUE. Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Well, first of all, we want to welcome Secretary Lynn and Mr. Hale. I know we want to move right on to the hearing, but I am going to make two points.

Number one, I really want to congratulate Secretary Gates on his reform effort in terms of really bringing the Department of Defense budget under control. I believe the reforms led by Secretary Gates, and that you and Dr. Carter have been pursuing, will give us a lot of guideposts for 2012. And you can count me on the reformer side of the ledger. But when we get into the areas of reform, I am going to talk about the impact on the continuing resolution and also the long-term.

The other is—just as a general statement before we get into the specifics of the area—again, Mr. Lynn, if Secretary Gates were here, I would say this to him, and I would ask you to carry the message back.

During the Walter Reed scandal, when it first broke, Secretary Gates responded with such swiftness that we all really appreciated that. He responded like a human being. He responded like a Secretary of Defense. He responded swiftly and effectively. We really are tremendously grateful for that as we worked in a very steadfast way to deal with that. Now we will be opening the new facility at Naval Bethesda, which will be a wonderful day.

But so much remains on the area of military medicine, particularly how we deal with the post traumatic stress syndrome, the fact that I am calling it “the 50-year war” because the permanent wounds of war and the permanent impact of war will go on with these men and women and their families for years. So we want to continue that. I will reserve those questions for the separate hearing.

But Gates really led the way. He is leading the way on reform. He is leading the way, he led the way, and we look forward to working with you at really trying to get highest value for our dollar, both to our troops when they fight over there, but for them and their families when they come back here.

Chairman INOUE. Thank you.

Senator Collins.

STATEMENT OF SENATOR SUSAN COLLINS

Senator COLLINS. Thank you, Mr. Chairman. Let me thank you and the vice chairman for holding this very important hearing.

Last fall, when it was evident that we had reached an impasse on many issues, I went to both the majority leader and the minority leader to suggest that we pass a combination of the DOD appropriations bill, the Homeland Security bill, and the VA/MilCon bill—a so-called “minibus.” I believe that such a package would have passed last fall and avoided the problems that we now face.

I subsequently, this year, wrote to both leaders, and I am sending a second letter today that I would ask unanimous consent be included in the hearing record, urging them to immediately go to the defense appropriations bill.

[The information follows:]

U.S. SENATE,
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS,
Washington, DC, March 1, 2011.

Hon. HARRY REID,
Majority Leader, U.S. Senate,
Washington, DC.

Hon. MITCH MCCONNELL,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR REID AND SENATOR MCCONNELL: As we approach the March 4 expiration of the resolution that is currently funding Government operations, I want to reiterate my strong belief that the Senate must pass, as soon as possible, a funding bill that provides the Department of Defense the resources it needs to sustain current operations and readiness and to prepare to meet future challenge.

The leadership of the military services have warned repeatedly that a year-long CR at reduced funding levels could negatively affect both their effectiveness and efficiency. Equipment maintenance would be deferred; facility repairs and construction would be curtailed; and military acquisition would be hampered. Last week, Secretary Gates testified before the Senate Armed Services Committee that operating under a CR or substantially reduced funding would lead to procurement delays and increasing costs for high demand assets, such as Unmanned Aerial Vehicles.

The Congressional Research Service confirmed that an extension of a “clean” CR will result in insufficient funding for military personnel budgets and defense health programs, all of which are critical to supporting our men and women in uniform and their families. The operations & maintenance accounts would also face significant shortfalls, including a six percent reduction in war-related operations funding. For these reasons, Secretary Gates stated in his testimony that, “Cuts in operations would mean fewer flying hours, fewer steaming days, and cutbacks in training for home-stationed forces—all of which directly impacts readiness. That is how you hollow out a military—when your best people, your veterans of multiple combat deployments, become frustrated and demoralized and, as a result, begin leaving military service.”

The impact of a full-year CR on the \$16 billion Navy shipbuilding budget, an account that makes up just three percent of the defense budget request for fiscal year 2011, is indicative of how a full-year CR would negatively affect the servicemen and women who rely on stable funding from Congress. The result would be higher costs for the taxpayers and fewer ships towards the Navy’s goal of a 313-ship fleet.

Admiral Gary Roughead, the Chief of Naval Operations, described this impact to me last week during a visit to Bath Iron Works in Maine. He said that, “the lack of a final budget for the military could undermine the Navy’s shipbuilding plans,” including the Virginia-class attack submarine program and the DDG-51 destroyer program. The shipbuilding program faces executability challenges under the CR because of increases in fiscal year 2011 ship quantities and funding levels compared to fiscal year 2010 levels. Although the shipbuilding budget request for fiscal year 2011 is about \$1.9 billion more than the amount appropriated in fiscal year 2010, the potential shortfall is actually \$5.6 billion because a CR may not include transfer authority or provide funding increases in other budget lines. The disruptive impact of a full-year CR on the shipbuilding account is just one example of the result that congressional inaction is having on our military service members and their families.

While there are a number of areas where our two parties may have significant differences, providing our military the funding it needs to succeed should not be among them. Traditionally, senators from both parties have been able to work together to provide our men and women in uniform the resources they need to accomplish what is asked of them. It concerns me that this process of keeping security spending separate from the spirited disagreement regarding domestic spending appears to be over. I truly hope that is not the case, and I urge you to work together to bring the fiscal year 2011 funding bill to the Senate floor as soon as possible so that can work with our colleagues in the House to send a bill to the President for signature.

Sincerely,

SUSAN M. COLLINS,
U.S. Senator.

Senator COLLINS. The patent reform bill, which is on the floor this week, is important legislation. But it is a bill that has been

pending for years and does not have the urgency of the defense appropriations bill.

So I join in the frustration of our military leaders and Secretary Gates that Congress has not completed its work in this vital area. That is what we ought to be doing on the Senate floor right now, in my view.

Finally, let me just quote further from Secretary Gates's testimony before the Armed Services Committee last week. And it goes along with what the chairman said about hollowing out the force. He could not have been clearer. He said cuts in operations would mean fewer flying hours, fewer steaming days, and cutbacks in training for home station forces, all of which directly impacts our readiness.

The Chief of Naval Operations was with me in Maine last week. He made very similar comments about the dramatic and draconian impact on the Navy if we continue to operate under a continuing resolution. So we need to get our job done, and I think we should bring this bill to the Senate floor as a separate bill today.

Thank you, Mr. Chairman.

Chairman INOUE. I thank you very much.

And now may I call upon the Deputy Secretary, the Honorable Mr. Lynn.

Mr. LYNN. Thank you very much, Mr. Chairman, Senator Cochran, members of the subcommittee.

If it pleases the subcommittee, what I would like to do is summarize the written statement, enter the written statement in the—the full written statement in the record.

Chairman INOUE. Your statement will be part of the record.

Mr. LYNN. What I would start with is a few opening comments on the fiscal 2012 bill, but then turn to impact of the year-long continuing resolution as the primary subject of the hearing.

The fiscal year 2012 budget that we have submitted seeks \$671 billion from Congress in discretionary budget authority. That is divided between \$553 billion in the base defense program and nearly \$118 billion in the overseas contingencies operation budget. In our judgment, this budget is both reasonable, in that it meets our national security needs, and prudent, in that it supports the administration's plans for deficit reduction.

Through the efficiencies initiative that Senator Mikulski has already referenced, the services have identified \$100 billion in savings and then reinvested those savings into higher-priority programs that strengthen our warfighting capabilities. At the same time, we identified at a department-wide level \$78 billion from outside the service accounts in defense-wide efficiencies, and we devoted that savings to the administration's efforts to hold down the deficit across the period of fiscal year 2012 to 2016.

The overall budget itself takes care of our people. It continues to rebalance the U.S. defense posture to ensure that we meet immediate warfighting needs, as well as longer-term modernization needs. And it provides our deployed forces with everything that they need to carry out their mission.

And finally, it continues the Secretary's reform agenda by focusing on streamlining business operations. In short, it is our hope that the Congress will support this request and enact an appropria-

tions bill for fiscal year 2012 at the start of the fiscal year in October.

But as has been referenced by all the members of the subcommittee, even as we discuss the fiscal year 2012 budget, there is unfinished business that concerns us greatly. The Department of Defense has been operating under a continuing resolution for more than 5 months.

If the Congress is unable to enact an appropriation, the Department would presumably continue to operate under a continuing resolution like the one currently in effect for months more, or perhaps even for the entire year. In our view, this is not a workable approach.

The existing continuing resolution has caused regrettable complications. A year-long continuing resolution would have a further deleterious impact on the people who make up our fighting forces and their readiness to defend the Nation. Simply put, the continuing resolution would provide inadequate resources. It would put funding in the wrong places. In other words, we wouldn't have the money to pay must-pay bills in the medical and personnel area. And it would not allow for the management flexibility, particularly new start authority and the ability to start new military construction projects.

With regard to the funding levels, a year-long continuing resolution would cut DOD's fiscal 2011 base budget by \$23 billion below the President's request of \$549 billion, the request he made in February of last year. At this low base budget level, the services will be forced to reduce their operating tempo, and DOD would not receive even enough additional funds to cover must-pay bills, including \$8 billion for military pay raises and increases in the costs of medical care, fuel, and inflation.

To cover these unavoidable expenses, we would be forced to play a shell game. We would rob Peter to pay Paul. Moving funds in this way is detrimental to our readiness, our modernization, and to efficient business practices.

For example, funding would likely be reduced for some or all of the three brigade combat teams that will be returning from Iraq and Afghanistan soon. The Navy would likely be forced to reduce flying hours and steaming days and to cancel exercises and training events. The Air Force would face a 10 percent cut in its flying hours. Equipment maintenance would also have to be deterred—deferred, excuse me. All of these cuts would impact on readiness.

Continuation of the current continuing resolution throughout the year would also prohibit us from starting new weapons programs or increasing production rates of existing ones. Already, the Navy was unable to purchase Government-furnished equipment for the second DDG-51 destroyer as planned, and it has been unable to contract for the second Virginia-class submarine.

The Army has had to defer a contract for new Chinook helicopters and delay refurbishment of war-torn Humvees. If the current continuing resolution continues throughout the year, problems like these will snowball.

The facilities we need to carry out our national security mission will also be affected. Under the continuing resolution, the services have had to delay 75 projects across the Nation. These delays not

only affect our capabilities, but also the quality of life for our servicemen and women.

Finally, there will be harmful management consequences associated with the year-long continuing resolution, many of them difficult to notice from here in Washington. But program managers will delay contracting actions out of necessity, only to be required at a later date to hastily make up for that by contracting too quickly without the appropriate safeguards.

In the face of uncertainty, other managers will resort to short-term contracts that add expense for the taxpayer and instability for the industrial base. In a time of war, with soldiers, sailors, airmen, and Marines on the front lines, DOD needs an appropriations bill with the reasonable level of spending and the flexibility necessary to meet our warfighters' needs.

PREPARED STATEMENT

In short, a year-long continuing resolution will damage national security. It presents the Department and the Nation with what Secretary Gates has aptly described as a crisis at our doorstep. For all of these reasons, we strongly urge Congress to enact the defense appropriations bill for fiscal year 2011.

With that, Mr. Chairman, happy to take the subcommittee's questions.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM J. LYNN III

Mr. Chairman and members of the committee, thank you for this opportunity to discuss the fiscal year 2012 budget proposal for the Department of Defense, as well as the serious problems we face if we are required to operate under a Continuing Resolution for the remainder of fiscal year 2011.

BUDGET PROPOSAL FOR FISCAL YEAR 2012

The budget request, submitted to Congress 2 weeks ago to support the mission of the Department in fiscal year 2012, seeks about \$671 billion of discretionary budget authority—including \$553.1 billion to fund base defense programs and \$117.8 billion to support Overseas Contingency Operations (OCO), primarily in Afghanistan and Iraq.

In our judgment, this budget is both reasonable, in that it meets national security needs, and responsible, in that it supports the administration's plan to hold down deficits. It is built around several broad themes:

- The proposed budget takes care of our people. That is our top priority, since the all-volunteer force is America's greatest security asset. We propose a military pay raise of 1.6 percent, which will match the Employment Cost Index and keep growth in military salaries on a par with those in the private sector. We are also asking for \$8.3 billion for family support programs, a sum that fully supports the President's military families initiative. For military healthcare, we are asking for \$52.5 billion, including \$677 million for research and support for traumatic brain injury and psychological healthcare, and more than \$400 million to continue medical research on behalf of wounded, ill, and injured Service Members.
- The proposed budget also continues to rebalance the U.S. defense posture to provide the capabilities needed to fight current wars while also building capability for potential future conflicts. To support current war efforts, we plan substantial investment (\$4.8 billion) in intelligence, surveillance, and reconnaissance capabilities, including various unmanned aircraft, which are in high demand by Combatant Commanders. We are also proposing to invest \$10.6 billion in rotary wing aircraft. In addition we are requesting funding for cyber activities, chemical and biological defenses, and security assistance programs to build up the capabilities of our allies.

- To prepare our forces for potential future conflicts, our budget proposal for fiscal year 2012 invests in advanced capabilities. We request \$9.4 billion for the Joint Strike Fighter (JSF) program, including funds to purchase 32 aircraft and to support continued development. We will also instill discipline in this major program by imposing a 2-year “probation” period for the STOVL (Short Take Off and Vertical Landing) variant while we seek to fix various design challenges. Meanwhile, we plan to buy 41 additional F/A–18 aircraft and extend production through fiscal year 2014. We plan an aggressive shipbuilding program of 11 ships in fiscal year 2012 and 56 over the next 5 years, investment in a family of long-range strike options, including a new long-range bomber program, and \$900 million for the KC–X tanker program. We have a new family of armored vehicles in the works, and we are requesting \$10.7 billion for ballistic missile defenses, including \$8.6 billion for the Missile Defense Agency.
- The proposed budget provides our deployed forces with everything they need to carry out their mission. It includes significant expenditures for reset of damaged and destroyed equipment, for purchases of force protection equipment, for high priority infrastructure projects in Afghanistan that support counter-insurgency objectives, for the Commander’s Emergency Response Program (CERP)—a valuable tool in theater—and for funding to assist the transition to a civilian-led mission in Iraq.

In addition to these broad themes, our proposed budget continues the Secretary’s reform agenda. That agenda began in fiscal year 2010 and 2011, with a focus on the restructuring and termination of a number of weapons programs. Some programs, such as the F–22 and the C–17, were cancelled because we had already purchased enough of the capabilities they provide. Other programs, like the VH–71 Presidential helicopter, were terminated because of cost overruns, development problems, or because they would have provided what Secretary Gates has termed “exquisite” capabilities that are not central to our current security challenges.

Secretary Gates has continued his reform agenda in fiscal year 2012–2016 by focusing on streamlining business operations. Through his Efficiencies Initiative, the Services have identified \$100 billion in savings and reinvested those savings into high-priority programs that strengthen warfighting capability. These savings will be realized through better business practices, reorganizations, and by terminating or restructuring weapons programs. Examples of proposed changes include the elimination of unneeded task forces, combining of air operations centers, consolidation of e-mail servers, and cutting back on lower-priority tasks associated with facilities sustainment and construction. The Services also propose terminating the Non-Line of Sight Launch System, the SLAMRAAM surface-to-air missile, and the Marine Expeditionary Fighting Vehicle (EFV).

The EFV program alone would have consumed \$12 billion in future procurement costs, including about half of all anticipated Marine Corps procurement funding from 2018 to 2025. While the planned EFV would have been a highly capable vehicle, its capability was needed only for a narrow range of high-end missions. After careful evaluation, both the Secretary of the Navy and the Commandant of the Marine Corps recommended termination of the EFV. The Marine Corps will sustain its amphibious assault mission by reinvesting EFV savings into upgrades of existing vehicles as well as a new amphibious vehicle designed to meet a more focused set of requirements.

In addition, our budget identifies \$78 billion in further defense-wide efficiencies in fiscal year 2012 through 2016. These efficiencies allow the defense topline to be reduced in support of the administration’s deficit-reduction efforts, beginning with a \$13 billion reduction in fiscal year 2012. This topline reduction was largely achieved through changes in the portion of our budget less directly related to warfighting capability. These changes include revisions in military healthcare, changes in the economic assumptions that underlie the budget, and defense-wide personnel changes, including a freeze on civilian pay and personnel levels through fiscal year 2013 (with limited exceptions) and a reduction in the number of contractors who augment Government staffs. We are also reducing, over 2 years, the number of general and flag officer billets by about 100 and civilian senior executive billets by about 200.

DOD’s medical costs have shot up from \$19 billion in fiscal year 2001 to \$52.5 billion in fiscal year 2012. We offer proposals in this budget to slow the growth in medical care costs while continuing to provide high-quality military healthcare for our troops and their families. We also propose changes in pharmacy co-pays designed to increase the use of generic drugs and mail-order delivery. We are also propose a modest increase in TRICARE enrollment fees for working-age retirees—the first such increase since the mid 1990s—and indexing of those fees to a medical

deflator. We intend to phase out subsidies for a number of non-military hospitals where the Department pays premium claims rates.

This budget also proposes a decrease in the permanent end strength of the Army and Marine Corps starting in fiscal year 2015. In one of his first acts in office 4 years ago, and in the midst of our engagements in Iraq and Afghanistan, Secretary Gates increased permanent end strength by 65,000 for the Army and 27,000 for the Marines. By 2014 we will have completed the military mission in Iraq and largely shifted the security mission in Afghanistan from allied to Afghan forces. As a result, we believe that, in fiscal year 2015 and fiscal year 2016, we can reduce active duty end strength by 27,000 within the Army and by 15,000 to 20,000 in the Marine Corps with minimal risk. If our assumptions about Iraq and Afghanistan prove incorrect or global conditions change for the worse, there will be ample time to adjust the size and schedule of this change, or reverse it altogether.

The budget also requests \$524 million in fiscal year 2012 for the Office of Security Cooperation—Iraq (OSC-I), which will assist in executing foreign military sales. OSC-I will also support military-to-military efforts to advise, train, and assist Iraq's security forces. The OSC-I is jointly funded with the State Department. In order to provide timely assistance, and help provide a timely transition to a civilian-led mission in Iraq, we need to begin funding OSC-I initiatives in fiscal year 2011 and then provide the requested funds in fiscal year 2012. DOD needs legislative authority to provide this assistance, and we ask Congress to include this authority in our appropriation bill for fiscal year 2011.

Mr. Chairman, this is a thumbnail sketch of the Department's budget proposal for fiscal year 2012. We look forward to working with this Committee and the Congress as you consider our request. It is our hope that Congress will support this request and enact an appropriations bill for fiscal year 2012 before the start of the new fiscal year on October first.

SERIOUS PROBLEMS ASSOCIATED WITH A YEAR-LONG CONTINUING RESOLUTION

Even as we start the debate over the fiscal year 2012 budget, there is unfinished business that concerns us greatly. The Department still needs an appropriation for fiscal year 2011. As members of this committee are aware, the Department of Defense has been operating under a Continuing Resolution (CR) for more than 5 months. The present CR is due to expire in 3 days.

If the Congress is unable to enact an appropriation, the Department would presumably continue to operate for the remainder of the year under a CR like the one currently in effect—which I will refer to as a “year-long CR” in the remainder of my statement. In our view, this is not a workable approach.

A year-long CR would adversely affect the people who make up and support our fighting forces and their readiness to defend the Nation. Serious problems are already occurring. Both the Army and the Marine Corps have imposed temporary civilian hiring freezes. This means that, for example, when a maintenance position becomes open due to normal attrition, that position cannot be filled. Such decisions save money, but they also plant the seeds for future problems with essential equipment. Because of the CR, the Navy has had to reduce its notice of Permanent Change of Station moves from the usual 6 months to 2, which hurts Navy personnel and puts a greater strain on their families.

If the current CR continues throughout the year, it will cause significantly more harm. While the exact effects depend on decisions yet to be made, the broad consequences are already known. A year-long CR would force the Services to reduce their operating tempo, harming both training and readiness. For example, funding would likely be reduced for some or all of three Brigade Combat Teams returning from Iraq and Afghanistan. This would mean reductions in training at a time when these units will need it most. The Navy would likely be forced to reduce flying hours and steaming days and to cancel exercises and training events. The Air Force is likely to face at least a 10 percent cut in flying hours. All of these cuts would have a significant impact on readiness.

If there were a year-long CR, it would be necessary for each Service to defer equipment maintenance. The Army estimates that a reduction of \$200 million in depot maintenance could be required, adversely affecting the Blackhawk and Kiowa Warrior helicopters, among other platforms. The Navy may need to reduce maintenance by \$900 million, which would result in the cancellation of as many as 29 surface ship maintenance availabilities out of a total of 85. A year-long CR would also mean deferred depot maintenance on as many as 70 airframes and 290 aircraft engines, deferred maintenance on expeditionary equipment, and deferred torpedo and missile certifications. Deferring maintenance in this way does serious damage to the readiness of the world's finest military.

A year-long CR would also seriously harm DOD acquisition programs—first because of a lack of funding and second because continuation of the current CR would prohibit us from starting new weapons programs or increasing production rates of existing ones. These prohibitions cost us the flexibility necessary to meet warfighter needs.

As a result of the CR serious acquisition problems are already occurring. The Navy was unable to purchase Government Furnished Equipment for the second DDG-51 destroyer as planned on January 31, which will delay the program and add to its cost. Nor could the Navy contract the second Virginia class submarine. We are struggling to avoid disrupting the workforce at the shipyard as a result. Meanwhile, the Army has had to defer a contract for new Chinook helicopters and delay refurbishment of war-torn Humvees.

If the current CR continues through the year, problems like these will snowball. The Air Force would be unable to increase the buy of Reaper unmanned aircraft from 24 to 36, delaying receipt of these critical assets. Under our current planning, the Air Force would let the Joint Air-to-Surface Standoff Missile (JASSM) slip by 1 year, and the Army would cancel procurement of Sentinel radars, leaving four battalions without advanced air defense. The Navy would buy fewer helicopters. The Missile Defense Agency would face a delay in the production of Terminal High Altitude Defense interceptors (known as THAAD), and the Special Operations Command would slow rotary wing capability improvements.

The facilities we need to carry out our national security mission would also be affected. Under the CRs passed to date, the Services have not been able to start any new major construction projects. About 75 projects across the country have already been delayed. Among them are training facilities in California and Texas, a test and evaluation facility in Maryland, a fuel tank project at Hickam Air Force Base in Hawaii, a new mess hall at Camp Lejeune, North Carolina, and an environmental, safety, and occupational health facility in Ohio. These delays not only affect our capabilities, but also the quality of life for servicemen and servicewomen. And they have a negative impact on project costs.

Under a year-long CR, the Department would have to protect readiness at the expense of long-term facilities sustainment. As a result, conditions on bases and installations would deteriorate. The Army would meet only 75 percent of its Facilities, Sustainment, Restoration, and Modernization (FSRM) requirements, including delays in upgrades to training barracks. The Navy would meet only half of its FSRM requirements, jeopardizing bachelor quarters projects, dry dock certifications, and air station improvements. The Air Force is likely to face a cut of \$400 million to its FSRM, forcing the deferment of maintenance contracts, dormitory projects, and utilities privatization.

Finally, there will be harmful management consequences associated with a year-long CR, many of them difficult to notice from inside the Beltway. Program managers will delay contracting actions out of necessity, only to be required to act hastily at a later time in an effort to catch up. In the face of uncertainty, other managers will resort to short-term contracts that add expense for the taxpayer and instability for the industrial base.

Wartime funding for OCO would also be impacted. Although funding levels would remain roughly equivalent, the funds would not be in the categories that meet current warfighter needs. For example, there would be too much funding for Mine Resistant Ambush Protected (MRAP) vehicles and not enough for Afghan National Security Forces. In order to move funds to where they are needed for warfighter requirements, the Department would need special transfer authority of about \$13 billion.

Although we may be able to surmount the transfer problem for OCO funding, deficits in the base budget under a year-long CR cannot be so easily overcome. Such a CR would cut DOD's fiscal year 2011 base budget by \$23 billion below the \$549 billion requested in the President's budget a year ago. This level of funding would not permit us to carry out our national security commitments properly. At this low base budget level, with many cuts coming half way through the year, DOD would not even receive enough additional funds to cover must-pay expenses, including \$8 billion for military pay raises and increases in the costs of medical care, fuel, and inflation. To cover these unavoidable expenses, we would be forced to play a shell game, "robbing Peter to pay Paul." Investment accounts would be especially hard hit, and we would exacerbate the detrimental effects I have just described to our readiness, modernization, and business practices.

In a time of war—with soldiers, sailors, airmen and Marines on the front lines—DOD needs an appropriations bill with a reasonable level of spending. Again, the President's defense budget request for fiscal year 2011 asks for \$549 billion. Based on a number of factors that have changed since our initial budget submission a year

ago—including policy changes that led to lower personnel costs and reduced activity forced by the Continuing Resolution—we believe that the Department can now operate effectively with a budget lower than our initial request. However, in our judgment the Department needs an appropriation of approximately \$540 billion for the fiscal year, in order for the military to carry out its missions properly and to maintain readiness and prepare for the future.

In short, a year-long CR will damage national security. It presents the Department—and the Nation—with what Secretary Gates has aptly described as “a crisis at our doorstep.” For all of these reasons, we strongly urge Congress to enact a Defense appropriation bill for fiscal year 2011, and to provide funding for the Government as a whole.

This concludes my prepared remarks. I welcome the committee’s questions.

Chairman INOUE. Thank you very much.

I shall begin the questioning. Let me preface by saying emphatically that we have no intention or desire to shut down the Government. But as you know, there are press accounts suggesting that this might be a possibility. Now, if that should take place, I would like to know what DOD will do about it.

Mr. LYNN. We will certainly agree with the chairman that no one, we think, wants a shutdown. And we certainly hope and believe a shutdown can be averted. That said, DOD, like all other agencies, has plans for a shutdown. These plans are routinely updated.

In the aggregate, it would mean that we would have to do an unannounced furlough of probably up to one-half of our employees. The other one-half of our civilian employees would be exempt and would be able to continue to work, as would all members of our military, but we would be unable to pay them.

So that when the first pay dates came, which now come in the middle of March, we would be unable to make good on those pay dates. It would certainly cause enormous disruption. It would cause an enormous distraction. And it is something I think that the country would want to avoid when the Nation is at war.

SHORTFALL IN MILITARY PERSONNEL ACCOUNTS

Chairman INOUE. Under full continuing resolution, how much is the shortfall in the military personnel accounts?

Mr. LYNN. We think that there are must-pay bills of about \$8 billion. I think roughly one-half of those are in the military personnel accounts.

Bob.

Mr. HALE. Yes. I think best answer to say, given the fact that we won’t have the pay raise funded and that we are seeing extraordinarily high retention, we would be short at least around \$2.5 billion in the DOD personnel accounts. And since they are essentially entitlements—if you work for us, we are going to pay you—we would be forced into some really fairly brutal reprogramming actions to try to move that money into personnel in order to meet paydays.

Chairman INOUE. And what about health programs?

Mr. LYNN. There is a shortfall there, we think, of over \$1 billion, and we would have to find resources from other accounts to meet those bills because those, again, are must-pay bills we cannot avoid paying.

Chairman INOUE. And my final question, a very important one, what impact would it have on readiness?

Mr. LYNN. Well, I think the effect on readiness would be fairly far-reaching. We would reduce our operating tempo. We would be forced to reduce steaming days, flying hours, training days for the Army. So there would be a direct impact on readiness.

There would be less direct, but equally problematic, impacts on equipment maintenance, which we would have to defer, and on base operating support and facility sustainment, which, over time, has an impact on quality of life and has an impact on readiness. So we think it would be a fairly far-reaching and broad-gauged effect on readiness.

Chairman INOUE. Are you concerned about what is happening in Libya, Egypt, and Tunisia?

Mr. LYNN. We are very concerned about what is happening across all of those nations. There is certainly an enormous amount of instability that has been caused by this, and we are trying to work with all those nations to ensure that the reforms are able to be made without further violence, that we end up with stable, broad-based governments in each of those states.

Chairman INOUE. Senator Cochran.

OPERATING UNDER A CONTINUING RESOLUTION

Senator COCHRAN. Mr. Chairman, I wonder if the witnesses can tell us what the practical consequences of operating under a continuing resolution for 5 months will have on the Department of Defense and the programs that it administers?

Mr. LYNN. Well, Senator, you indicate, we have already been operating for 5 months under a continuing resolution. We have operated under continuing resolutions in the past. But usually, it is for 1 or 2 months, and the short-term nature of those reduces the impact.

Now that we are into a much longer term, we have had an impact on contracts. As I mentioned, we have been unable to contract for the second submarine, for equipment for a DDG-51, for Chinook helicopters.

Those cost the Government money. When we do do this, we will have to do it at greater expense. And of course, it delays the influx of greater new capabilities and better technology into the force.

Senator COCHRAN. Secretary Hale.

Mr. HALE. Senator Cochran, picking up what Mr. Lynn said, there will be a variety of effects, and some of them are already occurring. The Army and the Marine Corps both have freezes, temporary freezes, on civilian hiring. So if a tank mechanic leaves, we can't fill the job. If a clerk handling training orders leaves, we can't fill the job.

The Navy has decided to make people aware of Permanent Change of Station (PCS) moves, with only 2 months of notice rather than 6. That preserves funding flexibility for the Navy, and I understand why they are doing it. But, of course, it is hard on the members, and it puts greater strain on military families.

And these kinds of changes are going to snowball if we have to continue under a continuing resolution. We will try, and we are trying now, to postpone those actions that would be most damaging to readiness as long as we can. But we are going to hold our breath so long, but we are starting to turn blue. We really do need help.

Senator COCHRAN. I wonder, too, about the impact this has on recruiting and retention of well-qualified and experienced people to stay in the military. Is there any effect that you know that can be measured, or surmised even, with the fact that we are not able to have a predictable level of funding for these activities?

Mr. LYNN. I think, in theory, you would be right, Senator. We haven't seen that yet. And in fact, at this point, we are blessed with extraordinarily high retention levels, and we are hitting all of our recruiting targets. So I would have to say we have not seen any immediate impact, but that type of erosion over time could occur.

Mr. HALE. I think there is good news here, Senator Cochran, is that troops are paying attention to their job, and they are letting us worry about this, which is how they should do. We need to come through for them.

Senator COCHRAN. Well, thank you very much for your service in helping manage these important functions of our Federal Government.

Chairman INOUE. Thank you.

Senator Mikulski.

Senator MIKULSKI. Thanks.

MILITARY MEDICINE

I am going to pick up on two issues. One, military medicine and the other on the must-pay bills. In terms of military medicine, you talked about the fact that it could be \$1 billion. Now we are talking about a \$600 billion defense appropriations, \$1 billion doesn't seem like a lot. But it seems a lot to doctors, nurses, lab technicians, the contractors who provide so many of the supplies necessary.

Could you go into more detail, if we continue the continuing resolution, both at military hospitals, and then also what you think—and perhaps Mr. Hale could help—also the impact on TRICARE, where the troops really and their families, really are relying on this health infrastructure. Could you share with us what that means?

Does it mean TRICARE won't get paid? Does it mean the nurses at Naval Bethesda won't get paid? Does it mean the people selling the bandages and the petri dishes and all that won't get paid? And so, we are going to ask them to work for nothing, or not get paid?

Mr. LYNN. Senator, we consider the military, the health of our military force, particularly that of our wounded warriors, to be other than the war itself, frankly, the highest priority that we have.

So that there would be shortfalls in the medical accounts if there were a year-long continuing resolution, frankly, we would transfer money from other accounts to ensure the medical accounts are fully funded. And so, the impact of the continuing resolution would more be on the accounts that we transferred from rather than the medical accounts themselves.

As you indicated, \$1 billion in a \$600 billion or \$550 billion, \$530 billion budget seems like a small amount of money. But, in fact, even with a budget that size, all of the money is spoken for. All of the money is dedicated to a particular mission, whether it is a readiness mission or an acquisition mission or a medical mission.

So we would have to deprive one of those readiness or one of those acquisition missions of probably \$1.3 billion in order to ensure that we paid our military medical bills.

TRICARE

Senator MIKULSKI. Does that also mean that TRICARE will continue to be funded?

Mr. LYNN. We would continue to fund TRICARE, but we would have to reprogram resources to do that. And that is a difficult process.

REPROGRAMMING

Senator MIKULSKI. Then let us go to the reprogramming and then—first of all, thank you for that. Which means we will meet our obligation both to the wounded warriors and the troops, but also to their families who, in many instances, bear other kinds of wounds because of this repeated deployment. The impact on children, on mental health for both spouses and children, you know are quite severe.

MUST-PAY BILLS

Now let me go to the must-pay bills. I was at a constituent meeting with small business yesterday with Senator Cardin. And one of the things that we heard from small business—it was going on with this SBA deal. That is another topic. But they were worried about what happens now in this contract world.

So you hear from woman-owned veteran herself—disabled, female, small business contractor. She says, “Wow, if we don’t get paid, I have very thin margins in order to even compete.” What happens now to these small to medium-size contractors, and will they get paid?

And number two, as you talked about the reprogramming and so on that goes on, and perhaps Mr. Hale can provide it, you didn’t give a dollar figure. You know, that one day we are going to have to do it. It is either going to be—in MilCon, it is going to be deferred maintenance. It is going to be deferred contracts, paying more for these contracts.

So here is the question. Are the medium to small business contractors going to be paid, number one? And number two, if either you or Mr. Hale have a dollar figure on really what deferment means? That deferment isn’t saving money. We are really burning money, and we will burn it later at a faster rate and perhaps even get into more of a jackpot on waste.

Mr. LYNN. Well, let me, and then I will ask Mr. Hale to follow on. The first question is would we be paying small and other business owners? And the answer is we can’t say precisely, but we would have to move resources from areas, particularly in contracts.

So we would have to defer and cancel some contracts. Surely, some of those would be small and disabled businesses. That would be, I think, inevitable in order to pay those medical and personnel bills that the department is obligated to pay.

So there would have to be some impact. It would require decisions at multiple levels to decide exactly which contracts you are

going to defer and which contracts you are not. So I can't give you a precise answer.

In terms of your second question, which was what does this cost? That is really impossible to answer because what you are talking about is friction at multiple levels. We are going to defer some contracts. We are going to cancel some contracts. Then we are going to reengage with contractors later on to do that same work.

The charges are going to go up. We are going to lose options. We are going to lose the bids that we have. We are going to pay more. But trying to total that up, these are thousands and thousands of different contractors.

MILCON/DEFERRED MAINTENANCE

Senator MIKULSKI. But what about in MilCon and deferred maintenance on the things that you really know are very specific?

Mr. LYNN. Well, I think we can tell you right now we have deferred—because we don't have the authority to go forward—75 military construction projects. And if this goes on, we will have to defer hundreds of millions of facility maintenance projects because we won't have the resources.

Senator MIKULSKI. And then presuming, say, we pass the continuing resolution maybe around like April, and we kind of get into it before the Easter-Passover break. Do you have any sense about how, when you go back to do some of these must-do, must-pay projects what it will cost? In other words, won't it increase the cost?

Mr. LYNN. It will certainly increase the cost, but I can't give you a precise figure. I don't know, Bob, whether you—

Mr. HALE. Well, I can't give you a figure, either, but I know it will. I mean, it will do so in a variety of ways. We will have a contracting workforce that is essentially treading water to some extent right now. At least for some of these projects, they can't move forward.

If, in April—and I hope it is before then, that we get a bill, they will have to catch up from the last 6 months and do the next 6 months of work. And it just inevitably means they will have less time to do good market surveys to find the best prices. And again, I can't give you a precise number, but it will be expensive.

REPROGRAMMING ISSUE

Let me address the reprogramming issue. In the unfortunate event—I would call it tragic event—that we find ourselves under a year-long continuing resolution, we will have to reprogram extensively. I can't give you a precise number, but it would start with that \$2.5 billion in personnel and the \$1 billion, \$1.3 billion that we need in the healthcare program. And there will be many others.

And we will need the help of the subcommittee at that point and all of the Congress in a couple of respects. First, there are some who believe we don't have the authority to reprogram in the absence of a budget. But we can't meet our national security needs without reprogramming if we did end up under a continuing resolution.

And second, we will need help with agreement on sources, which is always very difficult. We will have to look to some probably ac-

quisition programs and terminate them, or at least cut back significantly on them. And that is always very painful because we are affecting jobs and commitments that were made by the Congress, but we won't have a choice.

So if we do end up under a year-long continuing resolution, we really will need the help of the committee and the Congress in order to make this work.

Senator MIKULSKI. Thank you. Thank you.

Chairman INOUE. Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

IMPACT ON PRIVATE SECTOR EMPLOYMENT

Secretary Lynn, Mr. Hale, I want to follow up on some of the issues that my colleague from Maryland has just raised with you. The military leaders and Secretary Gates have talked a lot about the extraordinarily adverse impact on the military itself. But there is also a very negative impact on the private sector.

New starts won't occur. The new destroyer contract, the new submarine contract will not be signed. There is an impact on defense contractors and the thousands of people that they employ as well.

We are at a time in our economy where we are very concerned that unemployment remains so high. Has the Department done any estimate of what the impact would be on private sector employment in terms of jobs lost if the Pentagon continues to operate under a continuing resolution? I know I saw a statistic that the Navy put together that indicated that thousands of jobs would be in jeopardy. Do you have an overall estimate?

Mr. LYNN. We don't. I think the only thing that you could do to produce that kind of estimate is that if we requested \$549 billion under the a year-long continuing resolution, that would go to something probably \$23 billion lower than that. That has employment impacts.

You could try and translate that number into employment impacts. We have not tried to do that, but clearly, you are right. You know, the economy is in something of a fragile state. The defense budget represents 3 percent or 4 percent of that economy, and so it would have an impact if we go to a year-long continuing resolution.

PAYING MORE

Senator COLLINS. I also believe that another negative consequence is that the Pentagon would end up paying more for certain goods, services, and weapons than it would if we were funding you at an appropriate level. As we know from our experience in shipbuilding, if you don't have a sustainable procurement rate, you end up paying more per ship than if the contractors can plan the workload in an orderly way.

Is it a concern of yours that we may end up having to spend more money if you do not receive the funding that you have requested in a timely way?

Mr. LYNN. I think, Senator, you are absolutely right. I think there is no question that we will spend more money for the same goods if we don't receive the money in a timely way.

Indeed, it goes in exactly the opposite direction of the efficiencies initiative that Secretary Gates is moving forward on, which is to try and get the same things for less money. This undercuts that greatly. And the instability that it creates and the friction that it creates costs the taxpayers real dollars.

Mr. HALE. I think it has probably already happened, Senator Collins.

Senator COLLINS. I think so, too.

Mr. HALE. The GFE delay and the DDG-51, I think that will add to costs, not being able to award that second Virginia-class submarine. The Army just issued a stop-work order on the Striker Mobile Gun System.

These are costly actions that we will want to reverse. But we won't do it at the same price.

Senator COLLINS. Mr. Hale, let me now switch to a provision in the President's budget request. The Department of Defense offers a managed care option that is known as the Uniformed Services Family Health Plan, through six specific healthcare providers in six geographic regions. I know that Johns Hopkins is one for Maryland. Martin's Point is one based in Portland, Maine.

UNIFORMED SERVICES FAMILY HEALTH PLAN

And these have been very successful managed care providers that have helped to deliver, in my view, higher quality care at an effective price. Yet the Department's budget would preclude enrollment in the Uniformed Services Family Healthcare Plans for beneficiaries that reach 65 years of age and instead would ship them to Medicare.

Now this sounds to me like an example of DOD just shifting costs to another agency. So we are going to end up paying in any event. But I would appreciate assurances from you that the Department is committed to working with these six managed care healthcare providers.

First of all, it is my understanding that no current enrollee in the plan would be affected. Is that accurate?

Mr. HALE. That is accurate. And moreover, they could continue to receive their care at the hospitals, and they would still be under TRICARE for life.

But the major change that would occur is that they would be under Medicare, like all of our retirees are. They would need to pay Part B of the Medicare premiums, like all of our retirees. And the hospitals would be compensated, or payments would be made for claims, at the same level as for all of our hospitals, namely, at the Medicare rates.

But we are committed to avoiding adverse effects on hospital care. And if those appear likely, we will work with the hospitals in terms of a phase-in plan.

Senator COLLINS. And it is broader than hospital care, I might add. And I would really encourage you to take a look at the managed care that is being done by these organizations because I think you will find that the recipients are extremely satisfied.

I have looked at the satisfaction rates. They are extremely high. And that particularly in the management of chronic diseases—

Senator MIKULSKI. That is exactly right.

Senator COLLINS [continuing]. Like diabetes, congestive heart failure, that they are able to actually hold down costs and deliver better care. So I look forward to working with my colleague from Maryland, since I know her State has the same program.

Senator MIKULSKI. Mr. Chairman, I just would like to associate myself with the remarks from the Senator from Maine. We have, in these six managed care institutions, really iconic, world-class, internationally branded institutions taking care of our military and having spectacular results not only in treating acute care, but in managing chronic illness, which are lessons learned.

So it is not—really, we want you to work with them not only if they are in trouble, but we want you to work with them. And I look forward to working with Senator Collins. Perhaps we could have a meeting with the leadership to see where we are going with this. We understand the fiscal reality, but they are really doing breakthrough stuff that are lessons learned even for the rest of the military and the VA.

So thank you very much for raising it, Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Mr. HALE. It is definitely not our goal to adversely affect the quality of care. But we would like to pay claims on a consistent basis across the Department.

Chairman INOUE. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Gentlemen, welcome.

I recognize that today's hearing is on the impacts of a long-term continuing resolution, and I have been following closely the questions and the answers that have been provided. I think we all share those same concerns about the impact to the men and women who serve us and the level of care, whether it is while they are serving or whether they are home. And I appreciate your responses here today.

ENERGY ISSUES

I will have to admit, I have been a little bit single-focused this past week up in the State, focusing on energy issues. Mr. Chairman, you asked the Deputy Secretary if he is concerned about Tunisia, Egypt, Libya—I think we all are—and the implications of what is happening in the Middle East.

We are seeing an increase in the price of oil, over \$100 a barrel. We are seeing that translate at the local level, at the price at the pump. It is certainly getting the attention of folks.

And in my State, where we have been providing a level of domestic supply of oil for the past 30-some odd years, at one point in time 20 percent of our domestic supply, we are now looking at a situation where, with lower throughput coming down through the line, that oil pipeline could actually be decommissioned because our throughput is so low.

Which puts us in a situation, as a Nation, we are still reliant. Last time I checked, you still needed that product to get the planes in the air, to get the tanks moving, to move the trucks. And we know that within Department of Defense, one of the biggest consumers of energy is the Department.

What we do to ensure, from a national security perspective, our opportunities as a Nation—and again, from a security angle—is critically import. I would like just a general sense from you, Mr. Secretary, in terms of the direction that we are going as a Nation in becoming more increasingly reliant on foreign sources of oil, while at the same time, we see the Middle East in a state of—it is beyond a state of unrest at this point in time.

We can't predict which nation is going to be on the front page of the news next week, in terms of who is going to be overthrown. Can you give me just a sense from the Department of Defense's perspective, in terms of our national security implications with what is going on in the Middle East and what is happening domestically with our available supplies of oil?

Mr. LYNN. As you indicated, Senator, the Department is one of the or perhaps the largest consumer of fuel. So we are very concerned both about the price in the short term. The price is now over \$100 a barrel. And we have concerns about what that means for our working capital funds.

In some of the marks, we think, that were originally placed in indicated that we would have lower fuel prices and could reduce working capital funds. We think that is not going to come through in current circumstances. So we want to ensure that as we move to enact a fiscal 2011 bill, we take account of those short-term fuel increases.

Over the longer term, I think the instability in the Middle East just reinforces the direction the Department is already trying to move, which is to develop much greater and much broader approaches to fuel efficiency, to use the fuel that we have much more effectively, to develop more fuel-efficient vehicles, to develop more fuel-efficient practices in our bases so that we are able to deal with these kinds of instabilities by reducing the reliance that we have on that source of fuel.

ALTERNATIVE FUELS

Senator MURKOWSKI. One of the things that, of course, has been looked at with great scrutiny is the possibility of the synfuels, whether it is using natural gas or whether it is coal, using the Fischer-Tropsch process. What is the commitment from Department of Defense to go in this direction, to using these alternative fuels?

Mr. LYNN. We have a very broad-gauged effort that includes synthetic fuels. It includes fuel cells. It includes trying to save on fuel. So we are trying to pursue an across-the-board approach and not rely on just a single avenue to address this issue.

Senator MURKOWSKI. We are looking at some proposals up north that I would like to be able to speak with some in the Department about in terms of opportunities to advance these synfuels and how we can really reduce that reliance on oil. So I look forward to working with you on that.

Mr. LYNN. If you have something specific, Senator, I would be happy to take a look at that and get back to you.

ARCTIC POLICY

Senator MURKOWSKI. Yes. It is a little bit of a detour from the long-term continuing resolution. But last week, there was an article that was written. It came out of the Heritage Foundation. And the comment from the individual was it is time for the United States to jumpstart an Arctic policy that is as cold as a dead car battery.

Well, coming from the Arctic and recognizing that the United States is an Arctic nation, that is somewhat disturbing to hear the policy described that way. I have been working with Secretary Clinton from the time that she was still here in the Senate, to her work now as Secretary of State, trying to do what we can to advance that Arctic policy.

But again, from a national security perspective, do you think that, in fact, we do have a policy that is as dead as a car battery? And if so, how do we jumpstart that at a time when we are clearly concerned about budget implications?

We are trying to get an icebreaker online. We have one functioning icebreaker in this country right now. China beats us considerably. What are your thoughts, very quickly, on where we are with the Arctic policy?

Mr. LYNN. Well, I wouldn't say that we couldn't make improvements in our Arctic policy. I think that description is probably overblown.

We have been working with the Canadians on Arctic policies and frankly, I think where you are going with the implications of global warming and the gradual opening of the Arctic, it has been part of, as NATO starts to reshape itself to focus on the new world, Arctic policy is an important piece of that. There are several Arctic nations involved, and they are very focused. And we have been working with them.

I think we need to go further and shape those policies, but it is certainly a concern. And as I think you rightly indicated, Secretary Clinton and the State Department are certainly taking a lead internationally in developing the U.S. position on Arctic policy.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Chairman INOUE. Senator Reed.

Senator REED. Thank you, Mr. Chairman.

Thank you, gentlemen.

Just a point of clarification, Secretary Lynn. In your testimony, you essentially say that the overseas contingency operations funding is adequate, but it has to be reprogrammed to the tune of about \$13 billion. And you would need authority to do that from us?

Mr. LYNN. Yes.

Senator REED. And those are ongoing operations—Iraq and Afghanistan?

Mr. LYNN. Yes, sir.

OVERSEAS CONTINGENCY OPERATIONS BUDGET

Senator REED. A related question. Mr. Hale was at the Armed Services Committee hearing with Secretary Gates and Admiral Mullen, where they talked very passionately about the overseas contingency operations budget for the State Department.

Now if that is a casualty of this long-term continuing resolution, does that put pressure on you within your OCO funds to sort of compensate for the failure in transition? Or is there no coordination, or is it going to be just, sorry, you know, you are on your own? We get our funding, and we are headed out of town in Iraq, and we are doing what we should do in Afghanistan.

Mr. LYNN. No, I don't think we can afford to take that attitude, Senator. This is an important partnership we have with State, in particular in the areas that you mentioned. We are at a critical juncture in Iraq, where we are handing over many of the functions that we have carried out for several years, such as police training.

We are transitioning those to the State Department. If the State Department doesn't get adequate funding for things like police training, I think we risk losing the gains that we have made in Iraq at great sacrifice of not only dollars, but of lives.

So I think it is critical that not only Congress address the defense needs, but address the State Department needs as well.

Mr. HALE. If I could add to that briefly?

Senator REED. Yes, Mr. Hale.

COST-SHARE

Mr. HALE. And that is in many cases, we don't have authority to help the State Department. And if I can take an opportunity to ask the committee's help on one specific instance, there is a group called the Officers Security Cooperation in Iraq, which oversees foreign military sales. We are trying to cost-share with the State Department as we move toward setting up that office and try to support the Iraqi military.

And we need legislative authority to do that cost-sharing. We have been working with your staff to provide that. And I am hopeful that that might find its way onto an appropriations bill that I know you are going to pass soon for the Department of Defense.

So if there is anything we can do to be helpful, we would like to. But there are authority issues in terms of our cooperation.

Senator REED. Clearly, under the agreements entered into in the Bush administration, our military presence is ending in Iraq in the end of this year. And we are on track to do that. I was there about 1 month ago.

The problem I think is, is what you suggested, that on the ground, you are going to be faced with some ingenious ways to—if we don't fully fund your accounts and give you the authority to move money around within DOD accounts, if we don't fund State, et cetera, you are going to have to figure out how we can keep the lights on literally and keep this effort going forward, which is going to be more expensive in the long run and less effective than passing the legislation, the appropriate appropriations.

Is that a fair sort of judgment or estimate?

Mr. LYNN. I think that is an entirely fair judgment, indeed. What we are trying to do—the transition we are trying to make between defense and State has not, at least at this scale, been done before. So it is going to be extraordinarily difficult in normal times to try and I think make this transition.

And as you said, you were just there. I think the forces on the ground are working very closely with the Embassy. I think they

have a terrific plan. I think that they understand the challenges, and they are working through those. But if they are forced to try and do it without adequate resources, I think you are really, really undercutting the likelihood that we will have success.

Senator REED. Let me just follow up with one final area. And that is we have just focused briefly on the overseas contingency operations fund. But you have got, as you have suggested before in your comments, a number, perhaps hundreds of different specific changes in reprogramming and issues, as Mr. Hale suggested, in terms of setting up this new office in Iraq.

So, effectively, without a real bill, if we are just going with a year-long continuing resolution, this continuing resolution is going to be full of essentially what looks like, in some cases, a normal appropriations/authorization bill, full of different twists and turns, some of them coordinated, some of them just what you could get in the list, luckily enough, and some things falling by the wayside.

That just doesn't strike me as a very efficient way to appropriate money, and particularly in the context of the Department of Defense.

Mr. LYNN. No, I think it would be very strongly negative. As I said at the outset, if we had a year-long continuing resolution, we would not have enough money, we think, to meet the national security needs. The money that we do have wouldn't be in the right places. So we would have to move enormous amounts of money around, which is a very difficult process and causes great inefficiency.

And then, finally, we wouldn't have the management authority that we would need to do new starts, to increase production, to do new military construction projects. So on all three of those grounds—it isn't just money. It is management and having the money in the right places.

Mr. HALE. Did you see the movie "Groundhog Day," Senator? I mean, that is what we are talking about here, the "Groundhog Day" of budgeting.

Senator REED. I am a big Bill Murray fan. And that was one of the great films.

CONTRACT OVERSIGHT AND AUDIT

This follows, too, in terms of the context of managing, and the comment is that one of the problems we have, frankly, is contract oversight and audit. It is ubiquitous, but it is particularly ubiquitous when it is not clear what the contract is, who is in charge.

It is just an opportunity really for, in some cases, not just inefficiency, but criminality. And I would assume that you are having problems developing good audit trails, good oversight, good contract enforcement if you are not quite clear what the contract is or whatever it is a short-term contract or it is something you are writing sort of just to get through the day.

Is that fair? Or can you comment on the scope of this audit issue and contract supervision issue?

Mr. HALE. Well, in terms of the audit, let me talk first about contract audits, which I think is what you were focusing on. We will certainly make every attempt, whether it is a continuing resolution

or not, to maintain verifiable contracts. We will go ahead with the audit process.

I hope it wouldn't be seriously adversely affected, although, frankly, the continuing resolution has caused us to slow hiring at the Defense Contract Audit Agency, which we are trying to grow modestly in size. And we have had to actually stop the increase in hiring for the moment there to preserve our funding flexibility.

I am not sure whether you were asking the broader audit question, audit ability in the Department. Was that something of interest?

Senator REED. No, it just, strikes me that we have recognized over the last several years, particularly in these contingency operations, where there is a significant amount of money flowing into areas where there is not good tried and true practice locally.

And yet, through principally, I have to say, Senator McCain and Senator Levin, their acquisition reforms, we started on a path of better oversight. That is going to be disrupted, as you suggest.

Mr. HALE. I think that is fair. I mean, this will cause inefficient practices. It will leave our contracting officers with less time to do a good job. I can't see anything good coming out of that in terms of acquisition reform.

Senator REED. Secretary Lynn, any comment?

Mr. LYNN. No, I just add to what Bob said by saying, we have tried to, in preparing for today's testimony, to identify the impacts that we can see and project. In many ways, since we have never had a year-long continuing resolution for DOD and certainly never had one during a war, it is, in many ways, the effects that we can't see that I am, in many ways, more worried about.

And I think the kind of audits concerns and unintended consequences that you are talking about may well be the worst effects, rather than the ones that we have already described.

Senator REED. Thank you very much.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Alexander.

Senator ALEXANDER. Thank you, Mr. Chairman.

RESEARCH AND DEVELOPMENT

I would like to ask about research and development. There is I think I see about a \$75 billion figure for R&D in the continuing resolution. Tell me a little bit about how research and development is affected by the continuing resolution. And I am especially interested in what is going on these days in Defense Advanced Research Projects Agency (DARPA), which is a small amount of money, and wondering what you can tell me about that.

Over time, Defense Department R&D has been a big part of our country's sponsored research and development. And out of that has come a lot of remarkable inventions that affect our standard of living, like the Internet and other things.

So what can you tell me about the effect of the continuing resolution on R&D generally? And what can you tell me about the condition of DARPA, especially as it might be exploring new ways to produce energy that might be useful to the military first and to the country second?

Mr. LYNN. Senator, I think you could broadly say there would be three impacts on the research and development accounts. One is that the resources wouldn't be able to increase as they are projected to do. You would stay at the fiscal 2010 level.

Second, you probably would not be able to keep all of those resources, even at that level, in the R&D account because, as in the discussion we talked about earlier, there would be must-pay bills in the medical area and the personnel area. Undoubtedly, we would have to reach into some of the R&D accounts and pull resources from there, move them to medical and personnel accounts, in order to pay those bills that are the obligation of the department to pay.

And then, finally, under a year-long continuing resolution, we wouldn't be able to any new starts. So any further ideas—you mentioned DARPA. When DARPA has a new idea on energy, they would have to wait until they had a full appropriations bill before they could act on that request. And what happens to the research in that interim period is anybody's guess.

Senator ALEXANDER. What is the condition of DARPA these days? Is it healthy and functioning and innovating, as it did before?

Mr. LYNN. They are. We have a terrific director in Regina Dugan, who had enormous amount of energy and is building on the success of the past and taking DARPA into new areas. In particular, in the fiscal 2012 request, we have moved about \$500 million more into DARPA over a 5-year period to do research on cybersecurity.

DARPA has—as you indicated, they were part of the origin of the Internet, and they have enormous expertise in information technology. And we want to build on that and try and get to the next level using DARPA's great resources.

Senator ALEXANDER. Recently, the Congress decided, through the America Competes Act, to try to emulate DARPA at the Energy Department with something called ARPA-E. And it is off to a good beginning.

I think that—just as one voice, I think as we deal with this very tough challenge we are faced with, a Government that is spending \$3.7 trillion and collecting \$2.2 trillion, I want to make sure that we are smart and not cheap, and that we remember that it is out of our research and development in defense and in the universities, the laboratories, and these small agencies like DARPA and ARPA, which spend relatively very small amounts of money, out of which have come the ideas that have been a big part of our ability as a country to produce about 25 percent of all the money in the world each year.

So as we wade through this unpleasant task over the next year or two, I am going to be one voice that keeps trying to put the spotlight on the importance of research and development and making it easier, not harder, to fund that as a priority within a reduced level of spending.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

I listened to the questions of Senator Mikulski and Senator Collins and Senator Alexander. And it just reminded me of the numbers of letters I receive on the same theme.

Why are medical costs so expensive in the military, much more than nonmilitary sector of our country? I would like to point out

that in World War II, most of the men and women in uniform were single. Today, most of the men and women are married and have dependents.

Secondly, I would like to point out that it took 9 hours to evacuate me from the battlefield to the field hospital. Today, if I were injured in Afghanistan, I would be in a hospital within an hour.

Third, the technology research that we have been doing is so successful that the survival rates have just increased tenfold. This is hard to believe, but in the regiment which I served with, with all the casualties, not a single double amputee survived. Today, double amputees are commonplace because of the speed of rescuing and the medical practices.

However, we have one other problem that we did not see in World War II. Today, we have instant communication. Wives talk to their husbands on a daily basis by cell phone. Then in the evening, they watch CNN and see their husbands in action. And to top it off, they come home, and after 6 months go back again. I can't imagine what the stress is like.

So I hope that the people of the United States would keep in mind that the sacrifices being made by men and women in uniform are intense, and they have consequences that we may not know about. I am always grateful to them for what they have done and what they are doing.

So, with that, do you have any other questions?

If not, thank you, Mr. Secretary, Under Secretary Hale, for your testimony. I will assure you that we look forward to continue working with you, especially on matters involving the continuing resolution.

ADDITIONAL COMMITTEE QUESTIONS

It is my hope, however, that we can complete our work on this fiscal year 2011 defense appropriations bill and turn our attention to the fiscal year 2012.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. WILLIAM J. LYNN III

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. As I understand it, the Department of Defense (the "Department") intends to reduce its overhead costs by \$54 billion over the next 5 years. The bulk of that reduction will come from a freeze of civilian employee pay and the size of the workforce. Are concurrent reductions being required of the service contractor workforce? If not, will such a one-sided approach just increase reliance on service contractors regardless of cost, given that the workforce freeze will make it very difficult to use civilian employees, even when it would be less costly or is required by law?

Answer. The Secretary directed reductions to all overhead, including both planned growth in the civilian workforce and current levels of contract support. In particular, the Department will reduce service support contract levels, focusing on those contracts designed to augment the civilian workforce.

The Department will strive to find the appropriate balance between civilian employees and contract staff, working to ensure that appropriate controls remain in place and that civilians remain responsible for the work best suited for Government employees.

Question. I am interested in getting a better sense of how the Department reviewed its service contracts as part of the Efficiency Initiative. As I understand it,

the Department limited its review to support service contracts. However, support service contracts are a relatively small portion of all service contracts. Given the Department's concern about the growth of contractor costs generally, can you explain why the review was so limited? How will the cuts in support service contracts be enforced? How will growth in non-support service contracts be constrained?

Answer. The Department explicitly focused on service support contractors given the continued cost growth in this area over the past few years. These contracts, particularly those providing administrative and staff support, are lower priority and do not represent best value or practice for the Department.

The President's fiscal year 2012 budget represents efficiencies in other areas as well, impacting a broad range of contract types. So while service support contracts received significant attention, the Secretary remains committed to broadening the scope of the initiative. Rather than a one-time reduction, these decisions as well as the ongoing work represent an effort to inculcate a "culture of savings" within the Department at all levels.

In keeping with this approach, the Department will closely monitor the execution of the service support contract efforts in the future, through the established budget formulation and execution processes. The Secretary expects full adherence to the execution goals laid forth in the budget submission.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

OPERATIONS IN IRAQ

In accordance with a Status of Forces Agreement, by the end of calendar year 2011, all US military servicemembers will leave Iraq. A small cadre will remain, working in the Office of Security Cooperation—Iraq in order to facilitate foreign military sales and to provide training assistance to the Iraqi military. Many of the missions the military are currently leading will transition to the Department of State. I am specifically interested in the training of Iraqi police and the important work being done by the Provincial Reconstruction Teams. In multiple statements this year, both Secretary of Defense Gates and Chairman of the Joint Chiefs of Staff Admiral Mullen have reiterated the importance of funding the Department of State's transition activities in Iraq ahead of their assuming those missions. This was also addressed in the January 30, 2011 Special Inspector General for Iraq Reconstruction report.

Question. Secretary Lynn, what would be the consequences if the Department of State is unable to assume those missions effectively?

Answer. The United States' continued engagement in Iraq remains vital. We are now at the point where the strategic dividends of our sacrifice are within reach as long as we take the proper steps to consolidate them. A long-term strategic partnership with Iraq, based on mutual interests and mutual respect, presents many advantages for the United States. Recent turmoil in the Middle East highlights the importance of active U.S. engagement and building and maintaining relations with our key regional partners. U.S. support in recent years has proven critical to the emergence of a sovereign, stable, and self-reliant Iraq that is a long-term strategic partner of the United States. We must stay focused on Iraq in order to advance our broader regional objectives of peace, prosperity, and security.

Reduced funding for the State Department's Iraq program would severely affect our ability to meet national objectives in Iraq. As Secretary Gates has stated, these cuts threaten the enormous national investment and sacrifices the United States has made in Iraq. Fully resourcing the State Department mission to its completion is vital to ensuring that investment produces enduring results. We are 10 yards from the goal line and need one final push. A sovereign, stable, self-reliant Iraq that is a partner with the U.S. and a force for stability in a strategically critical region is within reach.

Question. If the Department of State is unable to successfully assume those missions in 2012 and a new agreement can be reached with the Government of Iraq, is the military prepared to stay longer?

Answer. We should not engage in speculation. The Government of Iraq has not asked for a new agreement for U.S. forces to remain after December 31, 2011. In compliance with the U.S.-Iraq Security Agreement and consistent with Presidential direction articulated on February 27, 2009, the United States is committed to completing the drawdown of U.S. forces from Iraq by the end of 2011.

All departments and agencies of the U.S. Government have undertaken unprecedented levels of coordination and planning for the transition in Iraq to ensure that the Department of State is able to assume lead for the U.S. mission in Iraq success-

fully in 2012. As one would expect with a transition of this scope and complexity, challenges exist. DOD is working very closely with the State Department to ensure their success.

OVERSEAS CONTINGENCY OPERATIONS

I am concerned that a year-long continuing resolution at 2010 levels might jeopardize the operational readiness of our military and their ability to successfully conduct the missions we have asked them to do. In your statement, you said that a year-long continuing resolution at 2010 levels would require the services to defer equipment maintenance.

Question. Secretary Lynn, how would this affect operations in Iraq and Afghanistan? I am not only concerned about the military currently operating in Afghanistan and Iraq, but units training for future deployments to those operations.

Answer. Contingency Operations in Iraq and Afghanistan will be our highest priority and will be fully funded. Forward deployed forces and next to deploy forces are receiving, and will continue to receive, the gear and equipment needed to sustain current in theatre operations. Training for all other forces, and maintenance of equipment and weapons systems not assigned to next deploying forces would be reduced.

Specific impacts on readiness include reductions in Army Depot Maintenance and High Mobility Multipurpose Wheeled Vehicle Recapitalization programs. The Navy will cancel ship maintenance, cancel participation in four Global Employment Force planned deployments, and reduce noncontingency flying hours and steaming days. The Air Force will defer depot maintenance and reduce weapon system sustainment. The USSOCOM has already delayed the implementation of the congressionally approved Underwater Systems Acquisition Strategy, and delayed other actions resulting in negative impacts to USSOCOMs ability to sustain flight testing, test support and analysis timelines for the MH-60 platform.

Many of the Defense Agencies and Defense-wide Activities are restricting the hiring of civilians to fill only the most critical positions which slow the accomplishment of key areas such as contract management audits (DCAA and DCMA) and joint operational contract support planners to the Combatant Commands (DLA). While operations in Iraq and Afghanistan will be fully funded, operating under a year-long continuing resolution will negatively impact readiness during fiscal year 2011 and into fiscal year 2012.

DEFENSE PROCUREMENT

Department of Defense leaders have been clear that a year-long CR including defense will have disruptive impacts on every aspect of our national security infrastructure including our military personnel and both public and private sectors. One specific example is the inability under a continued CR to execute shipbuilding contracts for a number of fiscal year 2011 Navy and Marine Corps programs including the Mobile Landing Platform (MLP). The MLP shipbuilder in San Diego, our last full-service Navy shipbuilder on the West Coast, recently had to notify employees that it may have to lay-off up to 1,500 workers soon unless the Navy is able to execute the construction contract for the first-of-three MLP ships. This program received initial funding in fiscal year 2010 for design and long-lead material procurement. Failure to execute the MLP shipbuilding contract very soon will not only impact the shipyard and her employees but also the ultimate costs of acquiring this military capability.

Question. Secretary Lynn, would you please comment on the impact the current CR has already had and what impact a year-long CR would likely have on the Navy's ability to execute the MLP and other major ship construction contracts in a timely and cost-efficient manner?

Answer. In terms of major ship construction contracts, to date, the Department has not been able to award a second *Virginia*-class SSN as planned in January. Under a year-long CR, without authority to increase production levels, the Department would not be able to go from one to two DDG-51s and *Virginia*-class SSNs; without the authority for new starts, the Department would not be able to procure the Mobile Landing Platform, the LHA(R) and the Oceanographic Ship. Additionally, Carrier construction and refueling overhauls will face schedule and cost disruption because we will be constrained at fiscal year 2010 levels for CVN 79 (\$425 million less than planned fiscal year 2011 funding) and Refueling Overhaul for USS Abraham Lincoln (\$197 million less than planned fiscal year 2011 funding). The impact on CVN 79 will result in insufficient funding to accomplish planned work, affecting approximately 600 contractor employees. The impact on the *Lincoln* overhaul will delay the start of the RCOH and follow on RCOHs. All of these actions would

disrupt workload across the shipbuilding industrial base, increase costs, and delay providing operational capabilities to the fleet.

Question. Is it fair to assume that a year-long CR will add hundreds of millions if not billions cumulatively to the cost of procuring required defense systems including ships?

Answer. Yes. It is fair to assume that a year-long CR will add hundreds of millions if not billions cumulatively to the cost of procuring required defense systems. In fact, a year-long CR will add approximately \$15 billion in deferred requirements to the Future Years Defense Program, given the fiscal year 2010 enacted baseline restriction and the inability to reprogram funds to higher strategic priorities.

MILITARY EQUIPMENT

The January test flight of the Chinese J-20 stealth aircraft reiterated the need for our military forces to have the most capable equipment we can provide them. In the fiscal year 2012 budget, only 32 F-35 Joint Strike Fighters are being procured. The shortfall in aircraft is being made up with F/A-18's and F-16's. The F-22 stealth program has been cancelled.

Question. Secretary Lynn, will this aircraft mix provide our military with the necessary capabilities to counter threats like the J-20 in the future?

Answer. When the J-20 is just reaching its initial operating capability at the end of this decade, the U.S. will have procured 187 F-22 Raptors and about 800 F-35 Joint Strike Fighters. The aero performance, stealth, and sensing of the F-22, combined with the sensor fusion, stealth, electronic warfare, and munitions capabilities of the F-35, will ensure our air supremacy for years to come.

Question. How much funding is being dedicated to research and development of technologies aimed at countering emerging threat capabilities? How would a year-long continuing resolution affect that research and development?

Answer. The Department does not have a precise definition of emerging threats for the purpose of identifying specific funds supporting emerging threat capabilities. However, within the Department, we have a Rapid Fielding office within Assistant Secretary of Defense (Research and Engineering) organization responsible for initiating programs countering new threats quickly.

The impact would be severe because emerging threats require new starts; since new starts are not allowed, a one year CR means we lose 12 months in a dynamic technology world. Without funding for new projects in fiscal year 2011, the Quick Reaction Special Projects and the Joint Capability Demonstration Programs will be unable to start more than 77 new projects totaling \$71 million from their planned fiscal year 2011 funding. The delay in receipt of a fiscal year 2011 appropriation is limiting opportunities to develop: unmanned systems command and control and unmanned resupply helicopters; protection from cyber attacks; automated processing and rapid distribution of very high volume wide area surveillance data; improved information operations; open source data exploitation; expanded red teaming; maritime security; surveillance capabilities that would afford our forces the ability to operate within the enemy's cycle of adaptation; increased force protection and situational awareness; and enhancing our understanding of networks that can threaten our security before they strike.

Question. How would a year-long continuing resolution at fiscal year 2010 levels affect the procurement of these advanced aircraft?

Answer. A year-long Continuing Resolution (CR) at fiscal year 2010 levels would have a significant impact on F-35 procurement. The fiscal year 2011 President's budget requested procurement for 42 total aircraft as follows: 22 Conventional Take-Off and Landing (CTOL); 13 Short Take-Off and Vertical Landing (STOVL); and 7 Carrier Variant (CV). However, because of production rate caps imposed by a CR, the Department would be limited to the fiscal year 2010 procurement rates, 30 in total. This would limit the procurement of CTOL aircraft to no more than 10, and CV aircraft would be capped at 4, rather than the 7 requested in the budget. The CR would not affect the procurement of STOVL aircraft because the Department seeks to buy fewer in fiscal year 2011 (3) than the fiscal year 2010 procurement quantity (16).

H.R. 1473, the Department of Defense and Full-Year Continuing Appropriations Act, 2011, was signed into law on April 15, 2011. H.R. 1473 provides appropriations for up to 35 total F-35 aircraft. The Department is reviewing the adequacy of appropriated funding to determine the final quantity.

DEFENSE DEPARTMENT BUDGET CUTS

As a member of the Department of Defense Appropriations Subcommittee and Chairman of the Select Committee on Intelligence, I strongly believe that our first

responsibility is to the safety and security of the United States and its citizens. While the Defense Department has and will be subject to some budget reductions, many other Government agencies, also involved in national security activities, have had their budgets deeply cut. I believe that we can make targeted, prudent reductions to the Defense portion of a continuing resolution that would provide billions in additional funds for the non-defense discretionary accounts with national security interests.

Question. Secretary Lynn, please identify some lower priority Defense Department programs where that money can be applied to other national security activities outside of the Defense Department.

Answer. The Department just completed a thorough program review that identified programs that should be eliminated or reduced in order to ensure that the Department can meet current and future operational requirements. While we will continue to look for more opportunities to improve both efficiency and effectiveness, we cannot recommend additional programs for elimination at this time.

Question. Please identify programs in the Defense Department and the military services where activities are redundant and can be consolidated to achieve budget savings.

Answer. The Department just completed a thorough program review that included the identification and elimination of redundant and low-priority activities. While we will continue to look for more opportunities to improve both efficiency and effectiveness, we cannot recommend additional activities for elimination at this time.

QUESTIONS SUBMITTED BY SENATOR BARBARA MIKULSKI

FISCAL YEAR 2012 LEGISLATIVE PROPOSAL ON U.S. FAMILY HEALTH PLAN

The U.S. Family Health Plan (USFHP) designed by Congress in 1996 provides the full TRICARE Prime benefit for military beneficiaries in 16 States and the District of Columbia for over 115,000 beneficiaries. Beneficiaries are highly satisfied with this healthcare option. In fact, the subcommittee understands that in 2010 over 91 percent of USFHP beneficiaries were highly satisfied with the care they received, making it the highest rated healthcare plan in the military health system. The fiscal year 2012 President's budget request includes a proposed legislative provision that future enrollees in USFHP would not remain in the plan upon reaching age 65.

Question. Public Law 104-201 Sec. 726(b) mandates the Government cannot pay more for the care of a USFHP enrollee than it would if the beneficiary were receiving care from other Government programs. Is the Department of Defense (DOD) in compliance with this requirement? If you are not in compliance with the law or disagree with the above, please explain. In that this requirement implies that the offset to the DOD budget would be exactly offset by the cost increases to Medicare please elaborate in detail how the fiscal year 2012 USFHP legislative proposal will result in a net savings to the taxpayer?

Answer. This proposal has no impact on current USFHP enrollees. The proposed change to USFHP would only affect future USFHP enrollees, once they attain Medicare eligibility. Upon reaching age 65, those enrolled in USFHP could enroll in Medicare Part B and receive the TRICARE for Life (TFL) benefit as a supplement to their Medicare coverage. USFHP beneficiaries are not required to pay Part B premiums as other Medicare-eligible beneficiaries must do to receive a comprehensive benefit from DOD. Under current law, these enrollees are allowed to remain in USFHP, whether they enroll in Medicare Part B or not.

The administration estimates the proposal will save the Government \$279 million over the next decade. Under the proposal, Medicare would see an increase in Part B premiums collected. While current law precludes DOD from spending more on USFHP than it would cost the Government to provide care through TFL and Medicare, the law requires a negotiation and mutual agreement between the Secretary of Defense and designated providers in determining payments to USFHP. Since the inception of this program in 1995, the rates provided to these plans have been based primarily on data from the general Medicare population. However, since the TFL program began in 2001, the Department has been able to gather detailed data specific to the Medicare-eligible TRICARE beneficiary population. The savings estimated for the proposal are based on the delta between the historically used rates and estimates derived from the actual data accumulated for Medicare-eligible TRICARE beneficiaries.

More importantly, this proposal provides equitable treatment for all Medicare-eligible retirees by offering a single program design across the country. Most retirees

do not live in one of the USFHP service areas, and their only option for healthcare is Medicare and TFL (requiring payment of their Medicare Part B premium).

Question. Of the total DOD TRICARE population over the age of 65 years, how many beneficiaries are covered under the USFHP? How many beneficiaries over the age of 65 are covered by a combination of TRICARE and Medicare Part A and B but not covered by USFHP?

Answer. There are approximately 37,000 DOD beneficiaries over the age of 65 who are covered by the USFHP program. Approximately 1.9 million DOD beneficiaries over the age of 65, who have both Medicare Part A and Part B, are not covered by USFHP.

Question. The USFHP provides prevention and wellness programs as well as effective disease and care management programs designed to care for beneficiaries' healthcare needs over their lifespan. Given the longitudinal approach of the program in managing the healthcare needs of the USFHP beneficiaries, and the Department's interest in the medical home model, why would you not consider expanding such innovative techniques in healthcare delivery?

Answer. The Military Health System (MHS) has embraced the Patient-Centered Medical Home (PCMH) as the key paradigm for the provision of primary care services for all of our enrolled beneficiaries. Plans and activities are moving forward to implement the PCMH in multiple sectors of the MHS, with the target of providing this model of care to all of our enrolled beneficiaries over the next few years. Likewise, each of the Military Services are moving forward with transforming their primary care services to a PCMH model and options are being intensively explored for similar efforts in the Purchased Care Sector. In addition, the Centers for Medicare & Medicaid Services has launched PCMH demonstration projects for Medicare populations in several States. It is anticipated that those efforts will be expanded as well and provide even broader access to the PCMH for all of the Medicare population including Department of Defense beneficiaries enrolled in TFL.

Question. The proposed legislation, if enacted, would force future enrollees to disenroll from this effective and well managed program upon reaching age 65. The remaining beneficiaries would be at risk because the ability to sustain disease management and prevention programs for them, a core aspect of the plan's success, would be compromised, effectively removing the option of long term participation in clinical programs aimed at actively engaging beneficiaries in managing their health. Is this consistent with the DOD's stated priorities of population health, improved health management and continuity of care?

Answer. The MHS considers population health, optimal health management, and continuity to be high priorities for all of our beneficiaries. The TRICARE benefit, including the TFL provision, was dynamically designed to enforce those priorities and to optimize care and access for Department of Defense beneficiaries throughout their life. Beneficiaries who age out of TRICARE Prime will continue their relationship with their medical providers and continue disease management and prevention programs—hallmarks of quality patient management—just as other TRICARE enrollees who age out of Prime. Although Medicare becomes the primary payer when our beneficiaries age out of Prime, with TFL, our beneficiaries continue to be eligible for the much richer TRICARE benefit. TFL has been a valuable addition for our beneficiaries over age 65 and has greatly enhanced access and continuity beyond the basic Medicare benefit. More importantly, this proposal provides equitable treatment for all Medicare-eligible retirees by offering a single program design across the country. Most retirees do not live in one of the U.S. Family Health Plan service areas, and their only option for health care is Medicare and TFL (requiring payment of their Medicare Part B premium).

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

EFFICIENCY INITIATIVES

Question. Secretary Hale, how will the budget documents provided to Congress track savings from the Department's "efficiency initiatives" on a year-to-year basis?

Answer. The fiscal year 2012 budget included efficiencies that contributed to the \$78 billion reduction to the Department of Defense (DOD) projected budget over the next 5 years; and efficiencies that contributed to reinvesting \$100 billion in key combat capabilities and higher than expected operating costs. The Department is currently working on new processes and metrics that will be used to monitor progress by Components in meeting these efficiency goals. As part of the efficiencies initiative we are specifically monitoring: service support contract reductions; report studies, boards and commissions reductions; senior leadership positions reductions; and the

overall freeze in personnel levels. Actual performance will be reviewed by Department leadership throughout the year and results will be reflected in the prior year data submitted in budget documents.

Tracking these efficiency savings from year-to-year will be part of the dynamic nature of the budget process. The Military Departments, Defense Agencies, and the Department are in a continuous process of planning and budgeting that reacts to execution realities and reprioritizes programs to balance capability with affordability. The Service specific efficiencies that contributed to reinvesting in key combat capabilities will be monitored and evaluated by the Services as they formulate the next year's plan and budget. Adjustments required due to execution realities will be reflected as program adjustments in the Service budget documents.

DOD FINANCIAL STATEMENTS

Question. Secretary Hale, the Department is one of the few cabinet level agencies not to produce auditable financial statements despite many years of investment by the Department. Do you have the necessary resources and people in place to meet the Department's goal for achieving fully auditable financial statements by September 2017?

Answer. Yes. Until recently the Army and Air Force had not devoted sufficient resources to achieving auditable financial statements. We have remedied that and feel that the approximately \$200 million to \$300 million we are investing to improve processes and internal controls over the next several years is the appropriate amount to achieve success. The Department is also investing significant amounts in modern systems to support auditability. While these systems have broad operational improvement goals they are also working to improve business processes in a way to support audited financial statements. The Department does not need further resources to achieve auditable financial statements at this time.

IRAQ DRAWDOWN

Question. Secretary Lynn, as U.S. efforts in Iraq transition from the Department of Defense to the Department of State at the end of 2011 will the Iraqi Government or contractors be able to provide the security, logistics and emergency medical care for Department of State personnel? If the Iraqi Government or contractors cannot provide the necessary security, logistics and other basic requirements for State Department personnel to operate in 2012, will the U.S. military be forced to make-up the capability shortfall? Is your Department doing any contingency planning for this eventuality?

Answer. The Iraqi Government is not yet able to provide security, logistics, or emergency medical care for Department of State personnel. Although the Iraqi Government dedicates a significant portion of revenues to security, Iraq is still a post-conflict, developing country facing considerable fiscal challenges. The Iraqi Government's fiscal management is improving with each passing year, but its available fiscal resources are not yet sufficient to meet security requirements. Even with increases in oil production, Iraq may not see significant net revenue increases for the next 3 to 5 years.

DOD and the State Department are working together to ensure that the State Department can execute the civilian-led mission in Iraq. With the exception of medical services, DOD will provide Embassy Baghdad basic life support, core logistics services, and contract management on a reimbursable basis through the U.S. Army Logistics Civil Augmentation Program (LOGCAP IV), and other contracted support.

DOD plans for a whole variety of different contingencies, but the preponderance of effort has been on facilitating transition to the State Department. DOD is doing everything it can to help set up the State Department for success. The State Department, DOD, and other agencies and offices have undertaken unprecedented levels of coordination and planning for the transition in Iraq. The State Department and DOD have an excellent working relationship and are working together at all levels to achieve a successful transition. As one would expect with a transition of this scope and complexity, challenges exist.

EFFICIENCY INITIATIVES

Question. Secretary Lynn, the budget request includes a number of initiatives to streamline Department of Defense business operations and overhead. Does the Department have the tools and processes in place to measure the effectiveness of these initiatives and to determine if they achieve the saving assumed in the budget?

Answer. The Department currently has a number of tools in place that will help to monitor both execution and effectiveness of the initiatives laid out in the President's fiscal year 2012 budget submission. Additionally, the various components

have developed a number of internal processes and tools to assist with implementation, monitoring, and assessment. The Secretary and I are strongly committed to meeting the goals and to finding new ways to improve how the Department conducts business, thereby better using the scarce resources of the Nation.

DECREASED NASA FUNDING—IMPACT ON DOD

Question. Secretary Lynn, has the Defense Department's budget for space capabilities been adjusted or impacted to compensate for the President's decision to freeze NASA funding at the 2010 level?

Answer. No, the Defense Department's budget for space capabilities currently has not been adjusted or impacted to compensate for the President's decision to freeze NASA funding at the 2010 level.

HANDHELD GLOBAL POSITIONING SYSTEMS (GPS) FOR PLATOON LEADERS

Question. Secretary Lynn, on page three of your prepared testimony, you state "the proposed budget provides our deployed forces with everything they need to carry out their mission." However, I have been informed that Army platoon leaders deployed to Afghanistan do not have handheld GPS Receivers which would improve their situational awareness and targeting. Would you look into this and let the committee know if this useful piece of gear is being issued at the platoon level in sufficient quantities?

Answer. The Global Positioning System (GPS) is issued at the platoon level according to Army authorizations. For an Infantry formation, a GPS capability is issued to commanders, S3/operations, S4/logistics, platoon leaders, squad leaders and other vehicle platforms as well to include our Force XXI Battle Command Brigade and Below/Blue Force Tracker systems and Mine Resistant Ambush Protected vehicle platforms. All deploying forces are equipped with their required authorization quantity and if required, our industrial production line has ample quantities to support any shortfall. There is no current Operational Need Statement for GPS. There is no indication of any significant shortfall in Defense Advanced GPS Receiver (DAGR) in theater. Theater has a large number of the Precision Lightweight GPS Receivers (PLGR) devices which can augment the DAGR.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHINSON

Under a Continuing Resolution (CR) at fiscal year 2010 levels, the Army would be limited to acquisition of only 8 AH-64 Apache helicopters instead of the 16 requested in the fiscal year 2011 President's budget, and could not acquire the 1 combat loss replacement helicopter. Also, under a CR at fiscal year 2010 levels, the Army would be limited to acquisition of only 34 CH-47 Chinook helicopters instead of the 40 requested in the fiscal year 2011 President's budget, and could not acquire the 6 helicopters added in the Overseas Contingency Operations (OCO) account.

Question. Can you talk about how these limited acquisitions would affect adversely the Army's ability to carry out its missions?

Answer. The limited acquisition of Apache Block III will delay the First Unit Equipped (FUE) by 6 months and delay that capability from deploying to theater as scheduled. While this will have minimal impact on the Army's ability to carry out its immediate missions in Operation Enduring Freedom (OEF) and Operation New Dawn (OND); it will extend the timeframe necessary to modernize the Apache fleet. Limiting fiscal year 2011 quantities and funding levels to the fiscal year 2010 equivalents will also have cost and contract implications. It will result in a decrease in Low Rate Initial Production (LRIP) aircraft quantities and the reduced procurement in fiscal year 2011 will adversely affect the overall procurement unit cost of the helicopters by an unknown amount. The prime contractor has already submitted a proposal for the LRIP effort. Any decrement to aircraft quantities will invalidate the current contractor proposal. These resulting inefficiencies and the loss of cost and schedule synergies with current the Foreign Military Sales, will result in a total decrease of up to ten aircraft during LRIP .

The limited acquisition of Chinooks due to a year-long continuing resolution will extend modernization of the Army National Guard's CH-47D to CH-47F program by 3 months. The limited acquisition will have minimal immediate impact on the Army's ability to carry out its missions in OEF and OND. The ARNG's Chinook shortages will be filled by 1st Qtr fiscal year 2013 with a mix of CH-47D and CH-47F aircraft. The ARNG's pure fleet to the CH-47F will extend to 1st Qtr fiscal year 2018 vice 4th Qtr fiscal year 2017.

The Texas and Mississippi National Guards need a fiscal year 2011 programmatic increase of \$654,200 to convert Apache "A" models to the "D" models required for a deployment in Central Command. The House Defense Appropriations Subcommittee, the Senate Appropriations Committee, and the proposed defense omnibus appropriations bill all provide such funds. The CR does not.

Question. How will this limitation on funding affect Central Command's ability to prosecute the wars in Afghanistan and Iraq?

Answer. The absence of Apache conversion funding for elements of the Texas and Mississippi National Guard (1-149 TX/MS) in the fiscal year 2011 CR will not impact U.S. Central Command's ability to conduct operations in Afghanistan and Iraq because 1-149 TX/MS will be deployed to Iraq or Afghanistan.

The conversion (and training) for Apache "A" to "D" models for 1-149 TX/MS is expected to be complete in fiscal year 2016. When the conversion and training is completed, 1-149 TX/MS will be ready for deployment and available for consideration to meet future operational requirements.

SUBCOMMITTEE RECESS

Chairman INOUE. The Defense Subcommittee will reconvene on Wednesday, March 16, at 10:30 a.m. And at that time, we will receive testimony from the Navy and Marine Corps on the fiscal year 2012 budget request.

And we now stand in recess. Thank you very much.

Mr. LYNN. Thank you, Mr. Chairman.

[Whereupon, at 11:42 a.m., Tuesday, March 1, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, March 16.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MARCH 16, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 11:17 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Cochran, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF HON. RAY MABUS, SECRETARY OF THE NAVY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. The subcommittee meets this morning to receive testimony on the fiscal year 2012 budget request for the Navy and Marine Corps.

And I'm pleased to welcome the Secretary of the Navy, Mr. Ray Mabus, and the Chief of Naval Operations, Admiral Gary Roughead, and the Commandant of the Marine Corps, General James Amos. I look forward to your testimony. I'd like to thank all of you for your prepared testimony. And, without objection, the full statement will be made part of the record.

For fiscal year 2012, the President's budget requests \$161 billion in base funding for the Department of the Navy. This is an increase of just one-half of 1 percent over last year's request. In addition, the budget seeks to reduce overseas contingency operation funding from \$18.5 billion to \$15 billion, reflecting the changing missions in Iraq and Afghanistan.

The very low growth of the Navy and Marine Corps budget is partly attributable to the Secretary of Defense's efficiency program. The request includes many commendable proposals, such as cutting energy costs by making our ships, aircraft, and facilities more efficient and increasing the use of alternative energy sources.

But, the subcommittee may have questions about other programs that are claimed as cost savings. For example, the Marine Corps' expeditionary fighting vehicle (EFV) has been terminated, and three new programs are being established to fill the void. While we know how much money will be saved by canceling the EFV, it is

hard to estimate how much money we will spend on the three follow-on programs.

In an age of tightening budgets, Congress needs to have a clear understanding of what budgetary proposals will produce real savings that can be better invested for our servicemembers, as opposed to delaying tough spending decisions for another day.

While the subcommittee will have many questions about the proposed budget over the coming months, there is no doubt about the importance of the Navy and the Marine Corps in the world today. Even while supporting combat missions overseas, marines and sailors are now performing life-saving humanitarian relief efforts in Japan after the catastrophic earthquake and tsunami. They are delivering supplies, searching for survivors, and rendering aid to the victims of this disaster. The people of the United States and Japan are grateful for the life-saving efforts of these men and women, and our thoughts are with all of the victims of this terrible catastrophe.

In these challenging fiscal times, it is all the more important that each dollar that Congress provides to the Navy and Marine Corps is put to its fullest use. I'm mindful that many of the budget proposals that were delivered to Congress in February were based on deliberations that occurred last summer and last fall. No matter how well planned the budget may be, it cannot predict the future. It is the job of this subcommittee and Congress to make adjustments to the defense budget, to redirect unneeded spending to higher priorities, based on new information and new developments.

This hearing is just the beginning of the process of learning how the budget request will support our national priorities. So, I look forward to working with our distinguished panel throughout the year so that our fiscal year 2012 appropriations bill will best reflect the needs of our Armed Forces.

And I'd like to now call upon Senator Cochran, the vice chairman, for his statement.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much.

I'm pleased to join you in welcoming our distinguished panel of witnesses this morning. Secretary Mabus, our former distinguished Governor of Mississippi, is doing a fine job, in my opinion, as Secretary of the Navy. He's reflecting credit on our State and our Nation and the United States Navy. And Admiral Roughead has become almost like a citizen of Mississippi. It seems like we turn around and he's down there at a commissioning or a christening, helping to ensure that our shipbuilding maintains a pace that will help defend our national interests in the waters of the world. And he has had a distinguished career in the Navy, and we're pleased to call him a friend.

General Amos, we appreciate very much your being a part of this panel and your leadership for the Marine Corps. We're glad to have you here.

Mr. Secretary, I know that we've had an opportunity to visit and stay in close touch on issues here. There will be questions that'll arise during the hearing, but I think I'll reserve my further comments or questions until later in the hearing.

Welcome.

Chairman INOUE. Thank you very much.
May I now call upon the Secretary.
Secretary Mabus.

SUMMARY STATEMENT OF HON. RAY MABUS

Mr. MABUS. Mr. Chairman, vice chairman, members of the subcommittee, I have the honor of appearing here today, representing the sailors, marines, and civilians that make up the Department of the Navy.

Please let me to first express my deepest sympathies to those affected by the terrible events in Japan. Our thoughts and our prayers go out to the families of the thousands of people who have lost their lives in the earthquake and the subsequent tsunami.

The Navy and Marine Corps are absolutely committed to humanitarian assistance and disaster relief operations. Ships from the 7th Fleet, including carrier USS *Ronald Reagan* and its strike group, the USS *Essex* amphibious group, with the 31st Marine Expeditionary Unit, embarked, and the command ship USS *Blue Ridge*, as well as helicopters and marines from the 3rd Marine Expeditionary Force in Okinawa, are already on station or moving to provide assistance. And they will stay in place as long as they are needed.

Ongoing operations in Japan underscore the fact that, across the world, Navy and Marine Corps are conducting missions over the full range of military operations. They remain the most formidable expeditionary force the world has ever known. And, thanks to your support, they will continue to meet the multiplicity of missions entrusted to them by our Nation.

Today, I want to spend just a minute talking about an immediate crisis that we face: the absence of a Defense appropriations bill and the increasingly serious problems of operation under a continuing resolution. The pressure of the continuing resolution has already significantly impacted procurement and reduced the resources available to maintain readiness. If the continuing resolution continues for the entire year, we will be forced to reduce aircraft flight hours and ship-steaming days, cancel up to 29 of 85 ship availabilities, defer maintenance on as many as 70 aircraft and 290 aircraft engines, and defer up to 140 maintenance and construction projects across the country. In addition, we will be prevented from constructing one Virginia-class submarine, two Arleigh-Burke destroyers, and one mobile landing platform. It will prevent procurement of two nuclear reactor cores and delay increased funding for the Ohio-class submarine replacement. It will reduce Marine Corps procurement by up to one-third, after the Marine Corps rebalances its manpower counts. And it will create nearly a \$600 million shortfall in combined Navy and Marine Corps manpower accounts. These measures not only place additional stress on the force and our families, they will weaken the industrial base and affect over 10,000 private-sector jobs.

The disruption to our fleet and shore maintenance and modernization schedules may take years to recover from and will come at a much greater cost. We strongly request congressional action to address the implications of this continuing resolution. It's particu-

larly important, considering that the submission of the 2012 budget was keyed off the 2011 numbers.

As you pointed out, Mr. Chairman, the budget request for the Department of the Navy is a one-half of 1 percent increase over the fiscal year 2011 request. It includes funds for 10 ships and 223 aircraft. It maintains our commitment to take care of our people, build a strong R&D and industrial base, and to grow the fleet.

The OCO request, which, as you pointed out, again, represents a drop of \$3.5 billion, includes funds to sustain operations, manpower, and infrastructure, as well as procure equipment to support operations in Afghanistan.

During this budget development, and today, we are keenly aware of the fiscal position of the country and the necessity to be, in your words, responsible stewards of taxpayer dollars. This request, we believe, is a strategy-driven document that is informed by fiscal realities. It balances competing requirements and does what is best for the country, the Navy and Marine Corps, and our sailors and marines.

We started this cycle by examining every aspect of everything we do. Consequently, \$42 billion in Department of the Navy efficiencies were identified over the 5-year period. As a result of these efficiencies, we've been able to add one aegis destroyer, three TAO(X) oilers, and one T-AGOS ocean surveillance ship to our shipbuilding program. With a dual-block littoral combat ship (LCS) strategy, this increases the total number of ships in the FYDP from 50 to 56, including one joint high-speed vessel to be built for the Army. The savings also allow us to buy additional F-18s, extend the service life of up to 150 aircraft, as a hedge against any delay in the deployment of the F-35 Bravo, and allow us to continue investing in unmanned systems.

The upcoming year will see deployment of the unmanned Fire Scout system to Afghanistan, and continuing testing of the UCLASS D, the forerunner of an integrated carrier-based system.

In 2010, one of the most important efforts was a decision, endorsed by Congress, to pursue the new littoral combat ship through a dual-block-buy procurement strategy. At an average cost of less than \$440 million per ship, and with the cost reductions we have seen on LCS-3 and -4, the new strategy will save taxpayers \$2.9 billion. This is a plan that's good for the Navy, good for the taxpayers, and good for the country, and shows what can be accomplished when sound acquisition principles are enforced.

We heard the message from Congress very clearly: We need more ships, but they have to be affordable. The LCS strategy supports the industrial base by keeping workers employed at two shipyards, and is indicative of the Department's push to ensure acquisition excellence. We believe that the fixed-price contracts used for LCS are a model.

Significant additional savings were also achieved through the termination, as you pointed out, Mr. Chairman, of the expeditionary fighting vehicle for the Marine Corps. I believe it's very important to emphasize that this decision in no way changes our Nation's commitment to amphibious warfare. We have to maintain an amphibious assault capability that will put marines ashore, ready for the fight. But, the EFV is simply not the vehicle to do this. Its

cost per unit would have consumed one-half the Corp's total procurement and 90 percent of its vehicle-related operation and maintenance account in the years 2018 to 2025.

In aviation programs, we're closely monitoring the Joint Strike Fighter (JSF), particularly the Marine Corps variant, the B. After a 2-year period of very focused scrutiny, we'll make an informed recommendation about resolving the technical and the cost issues.

Ashore, we continue to confront rising healthcare costs caused by an increasing number of beneficiaries, expanded benefits, and increased utilization. To deal with these trends, we must implement systematic efficiencies in specific initiatives that improve the quality of care and customer satisfaction, but, at the same time, much more responsibly manage costs. We concur with the recommendations made by the Secretary of Defense to ensure fiscal solvency and benefit equity for our retirees.

Finally, as the chairman pointed out, we are continuing efforts to invest in and develop alternative energy. The latest headlines from around the world reinforce this basic point. Energy is, first and foremost, an issue of national security. We cannot allow volatile regions of the world to control the price and affect the supply of fuel we use.

In the last year, the Navy and Marine Corps took huge steps forward, flying an F-18 Hornet on biofuel, conducting a large-scale expansion of solar power, and beginning extensive expeditionary energy initiatives in Afghanistan. What we're doing in Afghanistan is already saving lives as we reduce our reliance on fossil fuels.

In closing, I want to thank you again for your support. Thank you for always looking out for our sailors, marines, and their families, and for your support of efforts to make the Navy and Marine Corps better, stronger, and better able to defend our Nation.

PREPARED STATEMENT

It's a solemn privilege to lead the naval services during an era of protracted war and national challenge. I have been profoundly moved by the sacrifice and devotion I have witnessed in the sailors and the marines who defend us. The Navy and Marine Corps are, and will remain, ready to do any mission America gives.

Thank you.

Chairman INOUE. I thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE RAY MABUS

Chairman Inouye and Vice Chairman Cochran, I have the honor of appearing here today on behalf of the nearly 900,000 Sailors, Marines, and civilians that make up the Department of the Navy. I have appeared before this Committee on a number of occasions, and I am happy to be here again, along with the Chief of Naval Operations and the Commandant of the Marine Corps, to report on the readiness, posture, progress, and budgetary requests of the Department. We consider ourselves privileged to lead the dedicated men and women of the Department who are selflessly serving the United States all around the world.

Today, your Navy and Marine Corps are conducting missions across the full range of military operations. They are engaged in combat in Afghanistan, stability operations in Iraq, deterrence and ballistic missile defense in the Pacific, Arabian Gulf, and the Mediterranean, as well as humanitarian assistance and disaster relief operations across the globe. Our unmatched global reach, endurance, and presence continue to allow the Navy and Marine Corps—in partnership with our sister services—to secure and advance America's interests wherever challenges or crises have

arisen, as well as operate forward to prevent crises from occurring. We remain the most formidable expeditionary fighting force the world has ever known, and with your continued support, the Navy and Marine Corps will continue to meet the multiplicity of threats that endanger international peace and security.

But today we are very concerned about the absence of a Defense Appropriations Bill for fiscal year 2011 and the negative effects of operating under a continuing resolution for the remainder of the year. We are equally concerned about passage of a bill that reduces the topline from the level requested in the fiscal year 2011 President's budget. Either course of action significantly impacts the resources available to grow the fleet and jeopardizes recent efforts to restore and maintain readiness levels commensurate with the standards expected of the Navy and Marine Corps.

Without legislative action, limiting fiscal year 2011 procurement accounts to fiscal year 2010 levels will:

- Prevent start of construction of one Virginia-class submarine to be built in Groton and Newport News which will break the existing Multi-year Contract.
- Prevent start of construction of one Mobile Landing Platform to be built in San Diego.
- Prevent start of construction of one or possibly both programmed Arleigh Burke-class destroyers to be built in Bath and Pascagoula due to DDG 1000/DDG 51 swap language that prevents award of either ship unless both are authorized and appropriated.
- Preclude fourth and final increment of full funding for construction of CVN 78 (U.S.S. *Gerald Ford*) and advance procurement for CVN 79.
- Prevent procurement of two nuclear reactor cores for refueling of one aircraft carrier and one ballistic missile submarine, as well as delay increased funding for research and development of the Ohio-class replacement and replacement of two Moored Training Ships that provide half of the force's nuclear training capability.
- Prevent completion of one Arleigh Burke-class modernization.
- Reduce Marine Corps procurement by \$563 million. This would add to equipment shortfalls generated by 9 years of conflict and prevent equipment replacement or purchase of 4 H-1 helicopters, numerous LAVs, MTRVs, LVSRs; tech upgrades to counter IED jammers; communication and intelligence equipment; tactical fuel systems to power our vehicles and generators; engineering equipment to move ammo, gear and supplies; air conditioners and heaters to take care of Marines and sensitive gear; and EOD improvements to protect them.

Reductions to expected procurement levels will create additional stress on the force, as units in service pick up additional commitments to cover the seams created by fewer available platforms.

Likewise, fixing fiscal year 2011 operations to fiscal year 2010 levels has created a \$4.6 billion shortfall in Navy and Marine Corps operations, maintenance, and training accounts. Faced with this prospect, the Department began efforts in January to mitigate the impacts of operating under the continuing resolution, which over the course of the fiscal year will cause us to:

- Reduce aircraft flight hours and ship steaming days, including a reduction of four non-deployed air wings' flight hours to minimal flight-safety levels.
- Cancel up to 29 of 85 Surface Ship availabilities.
- Defer maintenance on 70 aircraft and 290 aircraft engines, bringing the combined backlog of aviation maintenance close to 1-year redlines.
- Defer 41 facilities maintenance projects and 89 new construction projects in Arizona, California, Florida, Georgia, Hawaii, Louisiana, Maryland, North Carolina, Rhode Island, South Carolina, Virginia, and Guam. These cuts equal an approximate 50 percent reduction and will eliminate, among many projects, dry dock certifications, bachelor quarters maintenance projects, repairs to Explosive Handling Wharves (EHW) at Bangor and Kings Bay that support ballistic missile operations, and modernization projects to support introduction of new training aircraft.

The combined effects of the continuing resolution will directly impact the strength of the industrial base and over 10,000 private sector jobs at shipyards, factories, and Navy and Marine Corps facilities across the country. The degradation or loss of perishable skill-sets within our workforce, including many nuclear workers, and the disruption to both our fleet and shore maintenance and modernization schedules will take 3 years to recover based on rotational schedules alone—and only at significantly greater cost than requested in the fiscal year 2011 President's budget.

Finally, there is almost a \$600 million shortfall in Navy and Marine Corps manpower accounts. As a result of this shortfall, the Services must raid other accounts in order to meet payroll for the duration of the year. We are currently living within funding constraints by limiting or conducting short-notice permanent change of sta-

tion moves; however, this tactic places significant hardship on our military families and is not sustainable over the entire fiscal year.

We strongly request congressional action to address the implications of the continuing resolution on our forces and our people by taking action to enact the fiscal year 2011 President's budget.

DEPARTMENTAL PRIORITIES

As I testified last year, there are four imperatives I believe the Department of the Navy must address to maintain preeminence as a fighting force and successfully meet the challenges of the future. They are: Taking care of our Sailors, Marines, civilians, and their families; treating energy as a strategic national security issue; creating acquisition excellence; and continuing development and deployment of unmanned systems.

These priorities underpin every action of the Department, from supporting current operations to developing the current year's budget request, finding efficiencies within the Department, and preparing our Navy and Marine Corps for the future.

Fundamentally, it comes down to a question of resources, of ensuring that our people have what they need to do their jobs, ensuring the Nation that the Navy and Marine Corps uses our fiscal and energy resources wisely, and ensuring that seapower, as a resource, remains readily available to meet the Nation's policy requirements and the orders of the Commander in Chief.

SEAPOWER: A CRITICAL STRATEGIC ENABLER

It is clear that we live in a time of sweeping change and an era of strategic realignment. The President has stated that we "must pursue a strategy of national renewal and global leadership—a strategy that rebuilds the foundation of American strength and influence." Seapower has always been a part of that foundation and will continue to be an indispensable asset to American leadership and economic strength in the global community of nations. American seapower, as it has done for generations, continues to guarantee freedom of navigation and international maritime trade, underpinning global economic stability and facilitating continued global economic growth. No other component of American military power is as flexible or adaptable as seapower. I see one of my primary responsibilities as Secretary to be ensuring continuation of this responsiveness, flexibility, and adaptability through the policies we adopt and in the ships, aircraft, and weapons systems that we build.

Maritime nations have many inherent strategic advantages. Naval forces operating in the open ocean provide an effective conventional deterrent to those who threaten regional stability or promote extremism. Strong expeditionary forces can swiftly respond to crises and make potential adversaries pause before committing hostile actions. But should deterrence fail, our combat ready naval forces must be prepared to conduct sustained combat operations.

The Navy and Marine Corps are America's "Away Team." They exist primarily to protect our Nation far from home and respond quickly to crises wherever and whenever they occur. Exploiting their inherent mobility and maneuverability at sea, naval forces gather information, perform surveillance of seaborne and airborne threats, defend regional partners, deter prospective adversaries, interdict weapons of mass destruction, disrupt terrorist networks, conduct humanitarian assistance and disaster relief, and support the work of American diplomacy. This variety of capabilities is a primary feature of seapower, and it provides the President and our Nation with unmatched flexibility to deter conflict and, if necessary, project power from the sea to defend U.S. national security interests. The ability to accomplish these tasks without placing a large presence ashore and absent concerns of sovereignty is absolutely critical in our world of increasingly sophisticated threats and growing geopolitical complexity.

It is for these reasons, and in order to improve global force projection capabilities that the Navy, Marine Corps, and Air Force are working on an Air Sea Battle (ASB) concept to improve joint capabilities and cooperation in addressing anti-access/area-denial challenges.

Unique in history, the blanket of maritime security and stability provided by American maritime power is the first to be used for the good of the whole world. But in order to ensure continued American leadership in issues of maritime policy and security, we strongly recommend accession of the United States to the Convention on the Law of the Sea, an action that has been similarly and repeatedly recommended by multiple Secretaries of the Navy and Chiefs of Naval Operation. Accession by the United States would enhance stability of the navigational rights inherent to the Convention and would strengthen our bargaining position in inter-

national discussions of Arctic Policy and access to resources and sea lines of communication.

CURRENT OPERATIONS

Over the past year, our forces have successfully navigated the world's growing complexity and have consistently demonstrated the utility, effectiveness, and flexibility of seapower and maritime forces.

Following completion of the Marines Corps' mission in Iraq, the primary operational focus of the Department has been supporting the war effort in Afghanistan. Over 30,000 Marines and Sailors are committed to the fight there, working all across the country, with the largest concentration operating as Regional Command Southwest (RC-SW) along the Helmand River Valley.

In my visits to the Marines on the ground throughout the year, I had the opportunity to look firsthand at the progress made by our increased presence in Helmand. In December, I visited three Forward Operating Bases (FOBs) with increasing levels of stability in three separate districts of Helmand: Sangin, Marjah, and Nawa—or as the Marines put it, I went to look at where the fight is, where the fight was, and where there is no fight.

In Nawa, I saw a strong partnership between the local government, Afghan National Police, the Afghan National Army, and our Marines—who have built the capacity of their partners so that they may shortly assume responsibility for their own security. The district is very safe, and because of the success of the counter-insurgency effort, Nawa is growing in both political strength and economic activity.

In Marjah, after successful operations to clear it last spring, the markets are open, schools are being built, and a local government is working to build capacity. In my visit just 3 months ago, I personally walked the streets of Marjah to witness the progress, something that even in the summer of 2010 would have been unthinkable. Then, just stepping outside the gates of our forward operating base would have generated a pitched battle. Now, it brought out street vendors and men on motor-bikes.

I also went to Sangin District near the Kajaki Dam in Northern Helmand, which has been a Taliban stronghold for years and for the past few months has been the main effort of the fight in Helmand. Our Marines in Sangin have been conducting intensive combat and security missions in support of the counterinsurgency strategy, and concurrently—even in the midst of the fight, have been testing new solar energy equipment to expand their operational reach. Together with their partners from the Afghan National Security Forces, they have taken the fight to the Taliban and are facilitating the Afghan Government's reestablishment of local control.

Elsewhere across Central Command, the Navy has over 14,000 Sailors on the ground supporting joint and coalition efforts and another 10,000 Sailors at sea supporting combat operations, including from our carriers operating in the Indian Ocean, where we are launching approximately 30 percent of the strike or close air support missions that watch over our Marines and Soldiers on the ground in Afghanistan.

In addition to combat operations, the Navy and Marine Corps remain globally engaged in a host of other security and stability operations. On any given day, more than 72,000 Sailors and Marines are deployed and almost half of our 286 ships are underway, ready to respond where needed.

It was the Navy and Marine Corps that were the first on scene after both the devastating earthquake in Haiti and the summer's catastrophic floods in Pakistan. Within hours of the January 12th earthquake, both Navy and Marine Corps assets were en route to Haiti. A total of over 10,000 Sailors and Marines and 23 ships, including the carrier U.S.S. *Carl Vinson*, the Bataan and Nassau Amphibious Ready Groups, and the hospital ship U.S.N.S. *Comfort* ultimately participated in Operation Unified Response.

Halfway around the world, after Pakistan was struck by devastating August floods that impacted nearly a fifth of its population, helicopters from the U.S.S. *Peleliu* and the 15th Marine Expeditionary Unit supported the Government of Pakistan through delivery of 2,000 tons of relief supplies and by contributing to the rescue of over 10,000 people. Later, the ships of the Kearsarge Amphibious Ready Group deployed early to provide a continuous U.S. humanitarian presence.

In response to the administration's strategic direction, the Navy is scaling up our ballistic missile defense (BMD) force and their deployments to enhance our deterrent posture, especially in the defense of Europe. Our multi-mission, BMD-capable, Aegis cruisers and destroyers now routinely deploy to the Mediterranean and the Arabian Gulf, as well as the Western Pacific to extend our deterrent umbrella for our allies. I had the opportunity a few months ago to visit the destroyer U.S.S.

Ramage after she completed her first BMD deployment, and I can assure you that the Sailors on these ships are some of the most professional and dedicated men and women in the country, and they are incredibly excited about their work. We appreciate Congress' continued support of the destroyer and cruiser modernization programs that are bringing additional BMD capability to the fleet.

Our growing BMD capability is complemented by our traditional sea-based, strategic nuclear deterrent centered upon our globally deployed and proficient ballistic missile submarine force.

In the Western Pacific, as an integral part of U.S. diplomatic actions, several times last year the U.S.S. *George Washington* sortied to the South China Sea and the Sea of Japan in response to territorial disputes with North Korea and open North Korean provocation. In late November, after the North Korean artillery attacks on Yeonpyeong Island west of Incheon, the *George Washington* strike group conducted a training exercise with the South Korean Navy in order to demonstrate the continuing value and strength of our alliance.

We are also working to build regional capacity and resolve security issues of common international concern.

In support of our Maritime Strategy, both the Navy and Marine Corps routinely engage with nations all around the world to build capacity and forge stronger maritime partnerships. In the "Rim of the Pacific" or RIMPAC exercise, 32 ships, five submarines, and more than 170 aircraft from 14 nations participated in the world's largest multinational maritime exercise encompassing every aspect of traditional naval warfare.

Global Partnership Stations in Africa, South America, and the Pacific are training hundreds of Sailors, Marines, and Coast Guardsmen from dozens of nations and are bringing advanced medical and civil engineering assistance to those in need. The Africa Partnership Station alone has trained with 32 African and European partners since 2007. And between them, Pacific Partnership 2010—conducted by the U.S.N.S. *Mercy*—and Continuing Promise 2010—conducted by the U.S.S. *Iwo Jima*—treated over 100,000 patients and conducted over 20 civil engineering projects.

In the Caribbean and South America, we continue to work with the Coast Guard-led Joint Interagency Task Force—South to synchronize forces from 13 nations and interdict the flow of illegal narcotics into the United States. In 2010 naval forces contributed to the seizure of over 133.2 tons of cocaine, 3.2 tons of marijuana, 92 boats and aircraft, and \$2.7 billion in drug revenue.

In the Gulf of Aden and western Indian Ocean, the Navy remains committed to counter-piracy efforts with approximately 16 partner nations. Combined Task Force 151, in cooperation with forces from the EU, NATO, and other nations deploying individual units or task groups, is operating off of Yemen and in the Somali Basin to protect the safe passage of maritime commerce. Where our forces are located, pirate activity has fallen, but the areas involved are huge, and as Secretary of State Clinton said in April 2009, the solution to Somalia piracy lies largely with Somalia, through building its capacity to police itself and offering young pirates viable alternatives to that way of life. We are treating the symptoms of piracy, rather than its fundamental cause: Somalia's failure as a state. Despite the international community's commitment, piracy has both continued to increase and move further offshore, a measure of pirate resiliency and the strong economic incentives that underpin it. Nine of ten pirates captured are ultimately freed as there is often insufficient evidence or political will to prosecute them, or to incarcerate them after conviction. We strongly endorse additional international efforts to address these concerns.

FISCAL YEAR 2012 BUDGET SUBMISSION

Over the past year, I have visited with thousands of Sailors and Marines stationed with our forward operating forces at sea and our combat forces in Afghanistan. I can report, based on both the direct observations I mentioned and from personal inputs from Joint and Combined commanders, that the quality of our Sailors and Marines is superb and we are continuing to protect America's interests abroad. But while we are prevailing today, we must also build the foundation for the Navy and Marine Corps of tomorrow.

During the development of the President's fiscal year 2012 budget submission our Navy and Marine Corps leadership team made numerous difficult tradeoffs to preserve current readiness while better posturing the Navy and Marine Corps for the challenges of the future. I believe that the result provides a balanced approach that will enable the Services we lead to successfully perform our assigned missions, even while setting a course for future success. It is important, however, to reiterate that the fiscal year 2012 budget was developed based upon ultimate passage of the President's fiscal year 2011 budget. If the continuing resolution now in place remains the

de facto budget for the year, or if a Defense appropriations bill is passed that reduces the amounts requested in the fiscal year 2011 President's budget, the proposed fiscal year 2012 budget will not be sufficient to recover from delays, cancellations, and mitigations we have been forced to put in place this year.

Over the past year, we have examined every aspect of what we do and how we do it in order to eliminate waste and move every resource possible toward operations and successfully executing our missions now, and in the future. At the direction of the Secretary of Defense, in June 2010, the Services were formally asked to continue this process through an efficiencies review, which we developed through three complementary approaches; buying smarter, streamlining our organization and operations, and being more efficient in the way we use, produce, and acquire energy. This effort has had a substantial impact on our overall budget, allowing us to invest more in our core warfighting missions and enhance our acquisition plans. Savings were also derived from OSD-mandated, Defense-wide efficiencies.

Since the review began, the Department of the Navy has identified approximately \$35 billion in self-generated efficiencies over the next 5 years. When DOD-wide efficiencies are factored in we will achieve \$42 billion in savings. These savings will facilitate adding one guided-missile Aegis destroyer, three T-AO(X) fleet oilers, and one T-AGOS ocean surveillance ship to our shipbuilding plan, which with our dual-block LCS strategy will increase the total number of ships in the FYDP from 50 to 56, including one JHSV to be built for the Army, an average of more than 11 ships per year. We were also able to accelerate a Mobile Landing Platform from fiscal year 2015 to fiscal year 2012 and increase R&D funding to support the accelerated procurement of the T-AO(X), and the development of the next amphibious dock-landing ship (LSD(X)).

The savings allowed additional investments in the Next Generation Jammer to provide greater protection for tactical aircraft, electronic warfare systems, ballistic missile sets, and the new air and missile defense radar that will equip our DDG-51 Flight III destroyers. The savings allowed increased funding for a new generation of sea-borne unmanned strike and surveillance aircraft; and gave us the ability to buy additional F/A-18s and extend the service life of 150 aircraft as a hedge against more delays in the deployment of the F-35B, the Short Take-Off and Vertical Landing (STOVL) variant of the Joint Strike Fighter.

We addressed Marine Corps needs by increasing equipment funding for units in dwell and for repair and refurbishment of Marine equipment used in Iraq and Afghanistan. Based on heavy usage rates, we requested \$2.5 billion for Marine reset in the fiscal year 2012 OCO request, and estimate a \$5 billion reset liability upon termination of the conflict in Afghanistan. We also added funding for fire and maneuver platforms, command and control capabilities, and intelligence, surveillance, and reconnaissance.

We found the \$35 billion through a close and systematic review of our programs and by cutting excess capacity in our support establishment. Over the FYDP, with congressional support we will reduce Navy manpower ashore and reassign over 6,000 personnel to operational missions at sea; use multi-year procurement and production efficiencies to save more than \$1.1 billion on the purchase of new airborne surveillance, jamming, and fighter aircraft; and disestablish both Second Fleet and excess staffs for submarine, patrol aircraft, and destroyer squadrons plus one carrier strike group staff.

Programmatically, one of the most important efficiency efforts was the decision endorsed by Congress to pursue the new Littoral Combat Ship (LCS) through a dual-block buy procurement strategy. Over the past years the message from Congress has been clear, we must build more battle force ships as affordably as we can, consistent with the statutory requirements laid out in the Weapons System Acquisition Reform Act of 2009. We heard that message clearly, and are grateful to the administration for its support and to the many Members of Congress who worked with the Navy to make the LCS program an example of what can be done right when strict acquisition standards are laid out and enforced.

With an average cost of \$440 million per ship, and with the cost reductions we have seen demonstrated on LCS 3 and 4, the Navy will save taxpayers approximately \$1.9 billion in fiscal year 2012-16. More importantly, the fact that prices were so dramatically reduced from the initial bids in 2009 will allow us to save an additional \$1 billion—for a total of \$2.9 billion—through the dual award of a 10-ship contract to each bidder. This plan is truly one that is good for the Navy, good for taxpayers, and good for the country.

At the recommendation of both the Commandant and myself, significant additional savings were also achieved by the Department of Defense through termination of the Expeditionary Fighting Vehicle (EFV) program. The Nation absolutely must retain and rebuild an amphibious assault capability that will get Marines from

ship to shore in a protected amphibious tracked vehicle ready for the fight. This is a core capability the Marine Corps must have. But the EFV is not the vehicle to do this. Conceived in the 1980s, the EFV was the previous generation's solution to a tactical problem that has since fundamentally changed. Just as importantly, the EFV's cost per unit would have eaten up over half of the Corps' total procurement account and 90 percent of the Corps' vehicle-related operation and maintenance account; the requirements levied on the vehicle outstripped what could affordably be achieved.

We are committed to developing and fielding an effective, survivable and affordable amphibious capability that will meet the Corps' amphibious requirements. This will be done through upgrading existing vehicles, through service-life extensions, and by working with OSD and industry to go as fast as possible in the acquisition and contracting process to develop a successor program to the EFV, one that will meet today's requirements for this critical Marine Corps capability.

We are also closely overseeing the Joint Strike Fighter program. In particular, we are providing additional focused attention on the Marine Corps variant, the F-35B, which the Secretary of Defense has placed on a 2-year probation. During this time, solutions to the unique F-35B technical issues will be engineered and assessed while production will be held to a minimum sustaining production rate of six aircraft per year in fiscal year 2012 and fiscal year 2013. This low-production rate is required to ensure continuity in the engineering workforce involved in the design and assembly of the F-35B at the prime contractor and key vendors without a loss in learning and to sustain the supplier base of F-35B unique parts. After this 2-year period of focused F-35B scrutiny, an informed decision will be made about how to proceed with development and production of this variant, to include the potential for program cancellation.

I want to point out that it is only the F-35B (STOVL) variant that is on probation. The F-35C variant, which will be flown off of our aircraft carriers, is doing satisfactorily and will be procured by both the Navy and the Marine Corps.

The President's budget request of \$161 billion will maintain our commitment to take care of our people, build a strong R&D and industrial base, and grow a fleet capable of sustaining our preeminence as the world's most formidable expeditionary force. The fiscal year 2012 request of \$15 billion for contingency operations includes incremental costs to sustain operations, manpower, equipment and infrastructure repair as well as equipment replacement to support our operations in Afghanistan and elsewhere.

The fiscal year 2012 President's budget request includes funds for 10 Navy battle force ships, including: 2 Virginia-class submarines, 1 Arleigh Burke-class destroyer, 1 Mobile Landing Platform ship, 1 Joint High Speed Vessel, 1 Amphibious Transport Dock Ship, and 4 Littoral Combat Ships.

In aviation, we have requested 223 aircraft in the fiscal year 2012 baseline budget, including: 13 F-35 Joint Strike Fighters for both the Navy and Marine Corps, 24 MH-60R and 11 P-8As to replace the aging current ASW and maritime patrol squadrons, 18 MH-60S for logistics support, 1 KC-130J, 25 H-1 variant helicopters, 30 MV-22 tilt-rotor aircraft, 28 F/A-18E/F fighter/attack planes, 12 E/A-18G to continue replacing the veteran EA-6B, 5 E-2D Advanced Hawkeyes, 36 Joint Primary Aircraft Trainers for our student aviators, and 20 Unmanned Aircraft.

The fiscal year 2012 President's budget request also contains funding for the Navy Unmanned Combat Aerial System demonstration and continues development of the Broad Area Maritime Surveillance (BAMS) unmanned system.

The individual efficiency initiatives the Department has put in place will continue to further streamline our organizations and operations, will reshape and reduce both capacity and personnel associated with the Department's "tail," and will contribute to the dramatic transformation already underway in how the Department does its business. More importantly, they will sharpen the operating "tooth," free up critical resources for maintaining and accelerating our shipbuilding and aviation acquisition plan, maximize fleet capabilities, and help preserve a strong industrial base.

TAKING CARE OF SAILORS, MARINES, CIVILIANS, AND THEIR FAMILIES

The Navy and Marine Corps have continued to recruit and retain the high quality men and women we brought into the Services in the past years, and 2010 was no exception. Both the Navy and Marine Corps met or exceeded their mission quotas and quality standards.

We recognize that quality of life programs are important for morale and the military mission. We recruit Sailors and Marines, but we retain families. We continue to provide a wide array of readiness programs, including deployment support serv-

ices, morale and welfare services, and child and teen programs. These award winning career management, training, and life-work balance programs are nationally recognized for their excellence not only by respected national human resource organizations, but even more by the Marines and Sailors that benefit directly from them.

Medical care for our Wounded Warriors, already outstanding, continued to get better throughout the year. Since Operations Enduring Freedom and Iraqi Freedom began, over 12,000 Marines and Sailors have been wounded in action. Their service and sacrifice mandates that we provide quality care for those who have given so much for our country. Our medical community continues to meet this challenge and make advances in dealing with the signature wounds of the current wars: traumatic brain injuries, mental health issues, amputation, and disfiguring injuries, and Navy Medicine continues to reach out to its colleagues in both civilian and Veterans Affairs hospitals to improve our understanding and improve overall care for our people.

But care for our Wounded Warriors does not end in the hospital. We have undertaken a commitment to bring our Veterans back into the workforce of the Department of the Navy through several Wounded Warrior outreach programs and hiring conferences. We are not there yet, but we are moving toward the goal of being able to say to every Wounded Warrior—if you want a job, we have one for you. As a representative example, in the past year alone, the Naval Sea Systems Command hired 200 Wounded Warriors. In 2011 we will continue to make employment opportunities for Wounded Warriors a priority for the Department.

It is important to note that rising healthcare costs within the Military Health System continue to present a fiscal challenge for the Department. Like the Secretary of Defense, both I and Departmental leadership are particularly concerned that the rate at which healthcare costs are increasing and the relative proportion of the Department's resources devoted to healthcare cannot be sustained; the Military Health System is not immune to the pressure of inflation and market forces evident in the civilian healthcare sector.

The military faces a growing number of eligible beneficiaries, expanded benefits, and increased utilization throughout the military healthcare system. As a Department, we must be resolute in our commitment to implement systemic efficiencies and specific initiatives which will improve quality of care and customer satisfaction but will at the same time more responsibly manage cost. We have made progress, but there is more to do. We concur with the recommendations made by the Office of the Secretary of Defense; we must create incentives such as the Home Delivery Pharmacy Program and implement modest fee increases, where appropriate, to both ensure the fiscal position of the system and ensure equity in benefits for our retirees.

Taking care of Sailors and Marines also means aggressively addressing the issues of sexual assault prevention and response. Last year, you supported the establishment of a new Office of Sexual Assault Prevention and Response (SAPRO) reporting directly to me to focus attention on the issue, develop effective training, and coordinate prevention and response programs across the Navy and Marine Corps. However, it is clear through sexual assault surveys that this crime remains a significant problem in the services, and within some populations we have seen a negative trend of an increased number of assaults. But I can assure you that we are not accepting this trend, and we will not rest while any cases of this awful crime continue to occur.

In 2010, the Department moved forward on expanding the opportunities for women in the Navy. We established a comprehensive plan to integrate women into the submarine force, beginning with our ballistic missile and guided missile Ohio-class submarines. This summer, the first 21 women officers were selected for nuclear training—and they have begun their approximately 15-month training pipeline. The first of these officers will get to their boats beginning in November 2011.

We are preparing to move forward with successfully implementing congressional guidance with respect to repeal of "Don't Ask, Don't Tell" in 2011.

Overall, the fiscal year 2012 budget reflects a carefully crafted request for the fiscal support and resources necessary to sustain the force in light of the ongoing demands on our people and their families. Thank you for your continuing support.

ENERGY SECURITY AND LEADERSHIP

Energy consumption in the Navy and Marine Corps has become a strategic vulnerability, an operational Achilles' heel, and a readiness challenge. This has made our energy usage a national security issue of rising importance. As a Department, we rely too much on fossil fuels, making our forces susceptible to fluctuations in both price and supply. Dramatic shifts in cost and availability can be caused by a

host of man-made or natural events in volatile areas of the world. Those potential shocks could have, in turn, strategic, operational, and tactical effects upon our forces. A survey of headlines around the world today demonstrates exactly the point we are trying to make—energy is first and foremost an issue of national security.

Without sustainable and reliable sources of energy and increased efficiency in our platforms, we may find ourselves paying an exorbitant price for operating our fleet, training our aviation and ground forces, and running our installations that support them. The ability to train and prepare forces for deployment could be curtailed. Worse still, our naval forces may find that future adversaries target our operational dependence on petroleum, as we see in attacks on fuel convoys in Afghanistan today. Our dependence on a fragile fuel distribution network increases our footprint, drains resources from the tip of the spear to supporting logistics lines, and ties up combat forces for security. Thus, energy diversity and efficiency are essential to maintain our warfighting capabilities and enhance our combat effectiveness.

This is a topic I have spoken on a great deal, in front of this committee last year, around the world in speeches to industry and military audiences, and in conversations with international leaders. Through these events and discussions, it has become clear that energy security is not just an American issue—it is an issue that affects both our allies and potential adversaries alike. History has taught us that competition for resources has been one of the fundamental causes of conflict for centuries, and today, competition for energy still provides one of the most inflammatory sources of potential conflict.

Energy, or more specifically denial of energy, could affect many of our NATO partners in Europe and indeed the strength of the alliance itself. Many of our partners are dependent upon external sources for their energy, so for them—denial of energy is a weapon, one just as real as the threat of tanks or airplanes.

For all these reasons, and in order to improve our long-term strategic position and enhance the future operational effectiveness of our forces, I have charged the Navy and Marine Corps with accelerating the exploration and exploitation of new ways to procure, produce, and use energy.

This effort began in October 2009, when I issued my five energy goals for the Department, the most important of which commits the Navy and Marine Corps to generate at least 50 percent of all the energy we use from alternative sources no later than 2020. Alternative sources include all renewable forms of energy such as solar, wind, geothermal, and ocean energy, as well as biofuels and nuclear energy.

We are on track to meet all our goals, and throughout 2010, we demonstrated progress through many energy programs, partnerships, and initiatives. Throughout the year, we successfully conducted both ground and airborne tests of an F/A-18 Hornet and MH-60 Seahawk helicopter, and ran a Riverine Command Boat (experimental) on renewable biofuel blends made from either camelina or algae. Recently, we also completed testing of a marine gas turbine engine that will enable us to certify our frigates, destroyers and cruisers for biofuel operations. In each case, there was no impact on performance and no degradation to engine reliability. Together, these tests represent critical milestones for the Department's goal of demonstrating the Great Green Fleet in 2012 and its planned deployment in 2016. In late 2010, the Navy conducted concurrent but unrelated tests of a more efficient F/A-18 engine in order to generate an increase in the aircraft's range.

Afloat, as I discussed last year, the U.S.S. *Makin Island* is using a hybrid-electric drive to dramatically lower its fuel usage at slow speeds, which we estimate will generate life-cycle savings of up to \$250 million at today's fuel prices. Over the next few years, we will continue to move forward with installation of a similar system on new construction DDGs and look at the feasibility of retrofitting the fleet with these systems in the course of routine shipyard availabilities.

The Marine Corps is also aggressively exploring energy efficiency solutions in its operating forces in theater and in the supporting establishment. The Marines realize that energy as a resource influences a Commander's operational freedom of maneuver, and its conservation and wise use can save lives on the battlefield. Reduced logistics support and fewer convoys for expeditionary forces would free up resources and limit the exposure of Marines to ambush and IEDs. Energy efficiency equals better combat effectiveness.

At home, the Marine Corps demonstrated their traditional spirit of innovation by scouring the commercial world for rugged solutions, building two Experimental Forward Operating Bases (ExFOB) at Quantico and Twentynine Palms. New alternative energy technologies tested at the ExFOB deployed this fall with the Third Battalion, Fifth Marines (3/5), posted to Sangin District in the north of Helmand Province. Immediately upon arrival, they began evaluating expeditionary solar power generators at their forward operating bases and combat outposts to supplement or replace fossil fuels. They have done this even while engaged in near con-

stant combat against a determined enemy in one of the most hotly contested districts of the war.

When I visited Sangin, I heard first-hand from a Marine First Lieutenant about what worked, what did not, and how his Marines in India Company of 3/5 were using the equipment. Two patrol bases are operating entirely on renewable energy, and another with a 90 percent reduction. One of the team-portable systems, called GREENS (Ground Renewable Expeditionary Energy Network System), is being used to provide power for the Operations Center, small radios, and small electronic equipment. And across the battalion's operating area, man-portable SPACES (Solar Portable Alternative Communications Energy System) are being used by individual squads to recharge their radios and other combat electronics. This capability made it possible for a foot patrol to operate for 3 weeks without battery resupply, reducing their burden by 700 pounds and saving more than \$40,000.

By deploying these renewable solar energy technologies the Marines in Sangin have been able to expand their operational reach, eliminate or minimize their need for fossil fuels in their generators, and dramatically reduce the need for often dangerous logistic support.

At Camp Leatherneck, the Marines have likewise begun a small bio-fuel pilot project for Helmand Province, purchasing locally produced cotton oil from an Afghan facility to mix with their own fuel. At Leatherneck, a standard generator is producing power from a 20–80 mix of cotton oil to fuel, yielding a 20 percent reduction in demand for fuel, while simultaneously demonstrating to Afghan farmers that there are alternatives to opium, and demonstrating to Afghan leaders that they can power their own economy from within Afghanistan. I am monitoring its progress closely.

As the ExFOB gets all this feedback from returning Marines, our expeditionary energy systems and programs will continue to improve and we will move even further down the road of energy efficient, combat effective forces.

In addition to these tactical and platform applications, we have implemented a number of energy projects at our facilities ashore. We are actively exploring for new geothermal resources to augment our existing 270 MW geothermal powerplant at China Lake. Last year we established the Nation's first grid-connected wave buoy at MCB Kaneohe Bay, Hawaii. Last December the Marines completed a 1.5 MW solar installation situated atop six acres of a landfill. The installation was unique because the equipment foundations were designed not to perforate the membrane covering the garbage below. Our budget request asks for continued support of these and similar projects in order to enhance our efficiency and maximize our move to greater independence and more resilient infrastructure.

And finally, throughout the year we developed partnerships with a number of Federal agencies, States, academic institutions, and industry partners including the Departments of Energy and Agriculture, NASA, and the Small Business Administration.

It is precisely because of the spirit of innovation that these partnerships embody that our Nation remains a world leader in its unrivaled capacity to stimulate and exploit cutting-edge ideas and new technologies. The U.S. Navy has always been a technological leader and has excelled at embracing change, particularly in propulsion systems and energy sources. We moved from wind to coal in the 19th century, from coal to oil early in the 20th century, and added nuclear power 60 years ago. In every transition there were opponents to change, but in every case these changes increased our combat effectiveness by an order of magnitude.

I have tasked the Navy and the Marine Corps to once again pioneer technological change through alternative energy sources. I am pleased with the progress to date, and expect it to sharply enhance the long-term strategic agility of our operating forces, as well as better posture the Department for an age of fiscal austerity and potential energy volatility. I want to stress, however, that every action and program we undertake is focused on generating improved warfighting capability and strategic flexibility, it is not just change for change's sake.

CREATING ACQUISITION EXCELLENCE

Our future combat readiness is dependent upon the design, development and acquisition of weapons, platforms, and information technology. The current ships and aircraft of the Navy and Marine Corps provide decisive advantages over today's threats. But that edge must be constantly sharpened and modernized against constantly evolving technologies. We must continue to invest in intelligence, precision missiles and munitions, networked command systems, stealth technology, unmanned vehicles and ground fighting systems. To retain our advantage across multiple warfighting areas, we rely heavily upon both our dedicated personnel and the

expertise resident in America's private sector. Throughout my tenure, I have taken the opportunity to visit shipyards, aircraft plants, vehicle factories, maintenance facilities, and warfare centers for detailed briefings and a firsthand look at the people responsible for designing and building our fleet and equipping our Sailors and Marines with vital weapon systems and technologies necessary to do their jobs. One cannot fail to recognize the creativity, dedication, and skills of our Nation's workforce.

Yet, with Government spending increasingly constrained, affordability, cost containment and total ownership costs are more important than ever. Because acquisition costs are rising faster than our top-line and because replacement systems can be more expensive than the platforms or weapon systems being replaced, we are putting tomorrow's force at risk.

Both on our own and as a result of Secretary Gates' guidance, the Department has devoted considerable effort to finding efficiencies, reducing support costs, and scrubbing our acquisition process to mitigate this impact. In accordance with the Weapons System Acquisition Reform Act passed by Congress in 2009, we have made the requirements and acquisition processes more rigorous in order to better manage the resources entrusted to us by the American taxpayer, and we are working with OSD to develop a streamlined process for acquiring information technology in a more responsive manner to better equip the warfighter with emerging technologies and ward off the cyber threat.

This requires constant examination of every single one of our policies, practices, priorities, and organizations, with a clear focus on controlling cost. Our acquisition community has been extensively engaged with industry and the Services to streamline processes, and they are ruthlessly evaluating both requirements and the supporting analyses in order to get more value out of the overall acquisition system.

The Navy and Marine Corps will continue initiatives already in place to improve processes and to instill discipline in procurement. In 2010, we strengthened our cost estimating group and met statutory requirements to obtain independent cost estimates, and we have incorporated Defense-wide best practices in the formulation of all our major programs. We have made our cost estimates more realistic and are using these improved cost and schedule plans to make necessary capability tradeoffs and difficult investment decisions at the front end of the requirements process rather than during design or construction.

A professional acquisition workforce is a key element in our overall acquisition excellence initiative and a driver in our strategy to preserve our fighting edge at an affordable cost. Accordingly, and with your strong support, we are rebuilding the acquisition workforce within Government to fulfill Federal oversight of the acquisition process and ensure that accountability to taxpayers is the foremost concern of our employees. In the last year, the Department has added nearly 1,300 acquisition professionals toward the goal of increasing the community by 5,090 over the FYDP.

Our acquisition strategies have been shaped to expand the use of fixed price contracts, leverage competition, and tighten up on the use of incentive and award fees to ensure quality systems are consistently delivered on budget and on schedule. The new acquisition plan for the Littoral Combat ship epitomizes this strategy, and is indicative of the type of fixed price contracts that will be the model for the future. The LCS block-buy contracts are the result of effective competition and give the Government full ownership of the technical data package used in construction. This will ensure our ability to pursue competitive strategies for LCS Seaframe requirements in fiscal year 2016 and beyond and affords greater congressional oversight of the program. With the new LCS strategy, we get more ships, at a faster rate, and at less cost.

The LCS dual-block procurement strategy also contributes to meeting another acquisition goal of both this committee and the Navy through its strong support of the industrial shipbuilding base. Modernizing today's force and recapitalizing the fleet affordably cannot be accomplished without a healthy industrial base and strong performance by our industry partners. We have worked hard to procure our ships, aircraft, and weapon systems at a rate intended to bring stability to the industrial base and enable efficient production. The Navy's shipbuilding and aviation plans were developed with particular regard to maintaining the unique characteristics and strength of the industrial base and our efforts have promoted increased competition, greater innovation, and better capacity within the base.

Over the FYDP, we will continue to build upon our progress to date and we will work with our shipyards, aircraft manufacturers, weapon systems providers and systems integrators to build the best possible fleet for the future.

DEVELOPMENT AND DEPLOYMENT OF UNMANNED SYSTEMS

The complex nature of today's security environment, as well as current and future anti-access/area-denial threats faced by the United States, require that the Navy and Marine Corps continue to advance in unmanned systems and exploit the contributions they make to warfighting capability. Unmanned systems are unobtrusive, versatile, persistent, and they reduce the exposure of our Sailors and Marines to unnecessary threats or dangerous environments. They can perform a vast array of tasks such as intelligence, surveillance and reconnaissance, hydrographic monitoring, mine detection, targeting, and precision strike.

Navy and Marine Corps unmanned systems have already made key contributions to operations in Iraq and Afghanistan. In Operation Iraqi Freedom and Operation Enduring Freedom, unmanned aircraft systems have flown thousands of flight hours, enhancing the effectiveness of our combat operations and undoubtedly saving lives. Unmanned ground vehicles employed by the Marine Corps have conducted thousands of missions detecting and/or neutralizing improvised explosive devices. And off the Horn of Africa, unmanned systems contribute to surveillance and tracking of suspected or confirmed pirate vessels.

The range of tasks that these capabilities may fulfill will grow substantially over time. I am determined to ensure that your Navy and Marine Corps are at the cutting edge of this military capability.

Our vision for the future will exploit unmanned systems in every domain of our operating environment (sea, air, and land) while maintaining an affordable price. The Department's Unmanned Systems will move from adjunct capabilities supporting manned systems and platforms to providing autonomous, networked, and interoperable independent capabilities—much as naval aviation matured from an adjunct to the Battle Fleet to a combat capability in its own right in the first half of the 20th century.

We will field unmanned systems in the near term to:

- Provide sensing, influence and effects where manned systems are limited by range, endurance or risk.
- Shift from relying primarily on manned platforms to accomplish missions to combinations of manned platforms, robots, augmented human performance, and remotely operated and unmanned systems that make operational sense.
- Increase the combat effectiveness of Sailors and Marines, their platforms and combat organizations to better operate against multiple types of threats.

In implementing this vision, we will embrace Unmanned Systems as critical tools in our warfighting quiver of capabilities. We will integrate them into everything we do across the full range of military operations to enhance our combat effectiveness and efficiency. And we will invest in the infrastructure to ensure we have the capabilities and capacity to properly task, collect, process, exploit and disseminate the information so the intelligence data gets to the decisionmakers and warfighters. The initiatives and investments contained in the fiscal year 2012 budget request will continue moving us along this desired track. I look forward to reporting our progress toward this vision throughout the year.

CONCLUSION

Today I have laid out our strategic posture as well as the goals and priorities that guide the Department's investment portfolio and future direction. These goals and programs will significantly influence our future capabilities and ensure we remain ready to deter regional conflict or respond rapidly and decisively to emerging crises. Our specific requests are reflected in the President's fiscal year 2012 budget submission.

In order to retain a ready and agile force capable of conducting the full range of military operations, we must carefully weigh risks and apply our available resources efficiently and carefully. This year's request reflects our strategy-driven priorities and the disciplined trade-offs that you and the American taxpayer expect of us. The Department's efficiency efforts have been beneficial in terms of enhancing our ability to invest in the future even while preserving and extending our force structure.

This is not a one-time event, as we will continuously work to increase efficiencies in every project, program, and operation, afloat and ashore. The budget request ensures that we will retain the world's most powerful and agile expeditionary force. The CNO, Commandant, and myself are committed to that aim and to being effective stewards of the Nation's resources.

As Secretary, I have seen firsthand the selfless courage of our young Marines and Sailors in Helmand; the dedication of our medical community caring for our wounded; the professionalism of our surface, submarine and aviation Sailors; and the incredible technical skills of the maintenance crews that sustain them. I have also

borne witness to the sacrifices of our personnel in hospitals in theater and at the National Naval Medical Center. A single visit to Bethesda will make you marvel at the resilience of the human spirit and the unflagging patriotism of our American service men and women.

Your Navy and Marine Corps are performing at a high operational tempo, at unparalleled levels of skill and dedication, and with remarkable results afloat, at depth, aloft, in cyberspace, and ashore. Thanks to your support, this level of performance has been sustained with the modern platforms, weapons systems, and training necessary to underwrite our readiness. Your continued support recognizes and sustains the sacrifice of our Sailors, Marines, civilians and their families. The support of this committee for our key programs and our people has been instrumental to operational success of the Navy and Marine Corps and maintenance of the world's most flexible instrument of national policy—a modernized and ready naval expeditionary force.

It is a solemn privilege to lead the Naval Services during an era of protracted war and national challenge. I have been honored by the trust the President and Congress have placed in me, and even more honored by the sacrifice and sterling devotion I have witnessed by those Sailors and Marine who go forward into harm's way to defend us. Preserving our values and our way of life is ultimately dependent upon our being prepared to use decisive force against those who threaten them. The Navy and Marines have been ready to do so for 235 years, and will continue to be ready. You can count on it.

Thank you again for your support. Godspeed.

Chairman INOUE. And now, may I call upon the Chief of Naval Operations (CNO), Admiral Roughead.

STATEMENT OF ADMIRAL GARY ROUGHEAD, CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral ROUGHEAD. Thank you very much, Mr. Chairman. Chairman Inouye, Vice Chairman Cochran, and members of the subcommittee, it's my honor to appear before you in my fourth year as the Chief of Naval Operations, representing more than 600,000 sailors, Navy civilians, and families who operate and live globally. I appreciate your continued support for them as they continue to carry out our maritime strategy.

I echo the Secretary's comments in extending our condolences to the people of Japan, with whom we enjoy a very unique relationship with our forward-deployed naval forces assigned there.

Our Navy continues to meet operational commitments and respond to crises as they emerge. We're engaged in Afghanistan and in Iraq, with about 14,000 sailors on the ground in those countries, and another 14,000 at sea in the region. From our aircraft carriers there, we fly about 30 percent of the fixed-wing aircraft sorties over Afghanistan.

Our presence in the Middle East also gave us the flexibility to respond to the events that we see taking place there and elsewhere. We have elements of the *Kearsarge* amphibious ready group, with the 26 MEU, in the waters off of Libya, and several destroyers and submarines in the Mediterranean, available for tasking, as required.

But, our interests extend beyond the Middle East, and so do our operations. Today, we have about 70,000 sailors deployed globally, with 40 percent of our ships, aircraft, and submarines deployed, as well. They're globally present, persistently engaged.

We provide deterrence in Northeast Asia and forward presence in the western Pacific, which has enabled our swift response to the natural disaster in Japan, and our good friends and allies there. The ships of the USS *Ronald Reagan* carrier strike group remain underway off the east coast of Honshu, with significant fixed-wing

and helicopter assets supporting search-and-rescue and humanitarian assistance. At least five more ships will soon arrive from exercises in Southeast Asia. These include ships from the USS *Essex* amphibious ready group, which has the 31st MEU embarked, and which will bring additional humanitarian aid, advanced medical capability, and seaborne lift support to the Japanese Government.

We continue our counterpiracy efforts in the Indian Ocean, and we continue to build maritime partnerships in Africa and South America and throughout the Pacific.

These operations represent part of the growing demand for the offshore option that our Navy and Marine Corps team provides the Nation. We assume the lead for the first phase of ballistic missile defense of Europe, and are working with the Missile Defense Agency on providing that same capability ashore. We created the new Information Dominance Directorate, on my staff, which has enabled us to make better decisions and investments in countering the anti-access and area-denial strategies that we see in the world today. We recently established the U.S. 10th Fleet, our cyberfleet, which has demonstrated its expertise by conducting joint and naval operations in cyberspace, cryptology, and space arenas.

To deliver the above, we've been pushing the fleet hard. We have 288 ships today. It is the smallest fleet since 1916, when our interests and responsibilities were nowhere near what they are today. And that's why 313 ships remains the floor of our future force, and why sustaining fleet capacity is essential to reaching that floor.

Since I became CNO, I've focused on ensuring that the Navy is ready, that our quality of work and quality of life are fulfilling to the men and women of our Navy, and that we place underperforming programs back on track. We have introduced stability, affordability, and capacity into our shipbuilding and aviation plans, and, with the assistance of Congress, we've advanced capabilities to meet the most likely evolving threats. We've secured a fixed-price dual award for 20 littoral combat ships, as the Secretary has mentioned. We've addressed our strike fighter capacity with a multiyear F/A-18 procurement. And pending a decision on the continuing resolution, we will build two Virginia-class submarines a year, another DDG-51, start the mobile landing platform, construct and refuel our aircraft carriers as planned, and continue the design of our replacement strategic submarine.

I'm pleased with our accomplishments to date, and I thank Congress for their continued support of our acquisition strategy. Our fiscal year 2012 budget request is a balanced approach to increasing fleet capacity, maintaining warfighting readiness, and developing and enhancing our Navy total force. This budget goes beyond ships and aircraft. It enhances electronic warfare, information dominance, integrated air and missile defense, and antisubmarine warfare capabilities for evolving challenges. It continues to develop a family of unmanned systems that will work in concert with our manned systems to secure access and establish maritime superiority where and when we choose. It continues our effort, over the last 2 years, to reduce total ownership costs, and leverages the opportunity presented by the Secretary of Defense's efficiencies to reduce excess overhead, improve readiness, and reinvest in

warfighting capability and capacity that improves the long-term sustainability of our force.

Importantly, it supports the Secretary of Defense's healthcare initiatives, included in the President's budget, which continues our efforts to improve healthcare, improve internal efficiency, incentivize behavior, and ensure all our beneficiaries are treated equitably, and enhance our ability to deliver high-quality healthcare for years to come.

You can be exceptionally proud of our sailors and our Navy civilians, who they are and what they do. Today's sailors are the best with whom I have ever served.

PREPARED STATEMENT

I ask for your strong support of our fiscal year 2012 budget. And I thank you for all that you do to support the men and women of the United States Navy, our enduring global force for good.

Thank you very much.

Chairman INOUE. All right. Thank you very much, Admiral.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL GARY ROUGHEAD

Chairman Inouye, Vice Chairman Cochran, and members of the Committee, it is my honor and pleasure to appear before you, in my fourth year as CNO, representing the more than 600,000 Sailors and civilians of the United States Navy. As we have done for more than 235 years, our Navy is forward-deployed around the world protecting our national security and prosperity. Today, our dedicated Navy men and women are operating globally at sea, on land, in the air, and in space and cyberspace. I appreciate your continued support for them and their families.

As the demand for our Navy continues to grow, our Maritime Strategy, which I issued more than 3 years ago with the Commandants of the Marine Corps and the Coast Guard, continues to guide our Navy's operations and investments. Its core tenets are enduring and our Navy is executing daily the six core capabilities it articulates for our sea Services: forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response.

With your support, since becoming CNO, our Navy has placed underperforming programs back on track; we have introduced stability, affordability, and capacity into our shipbuilding and aviation plans; and we have advanced capabilities to meet the most likely evolving threats. We improved the performance of several programs, most notably the Littoral Combat Ship. After cancelling the LCS ships we had planned for 2007 because of unacceptable costs, last year we were able to secure a price for 20 ships through a dual award strategy that will add new and needed capabilities to our Fleet, bring important stability to the industrial base, and get us closer to the minimum of 313 ships our Navy needs. I thank Congress for their support of this strategy. We delivered five new ships in 2010, including one Virginia class submarine, two Arleigh Burke Destroyers, and two T-AKE logistics ships. We commenced testing and low rate initial production of the P-8A Poseidon Multi-Mission Maritime Aircraft and continued testing and low rate initial production of the E-2D Advanced Hawkeye. Through multi-year procurement contracts for F/A-18E/F and EA-18G, and Virginia class submarines, and planned multi-year procurements for the MH-60R/S and E-2D, we are introducing affordability in our aviation and shipbuilding plans and realizing significant savings. For example, on the Virginia class multi-year procurement alone, the savings has been \$3.2 billion. We are advancing capability to meet emerging threats, particularly in Ballistic Missile Defense (BMD) and information dominance. In BMD, we assumed lead for the first phase of the President's Phased Adaptive Approach (PAA) for BMD of Europe and we are working with the Missile Defense Agency on providing Aegis Ashore capability to support the second phase of the PAA. Our newly established Fleet Cyber Command/U.S. Tenth Fleet demonstrated its expertise conducting joint and naval exercises and operations in the cyber, network, cryptology, signals intelligence, information warfare, electronic warfare, and space arenas. We also achieved the early operational deployment of the MQ-8B Fire Scout Vertical Takeoff and Landing Tactical Unmanned Air Vehicle, the first successful flight of our Navy Unmanned Com-

bat Air System demonstrator, and a memorandum of agreement with the Air Force to pursue increased commonality between the Global Hawk and Broad Area Maritime Surveillance programs.

Our Navy continues to meet planned operational commitments and respond to crises as they emerge globally. We remain engaged in operations in Afghanistan and in Iraq. Our Navy has more than 14,000 active and reserve Sailors on the ground and another 10,000 at sea in Central Command, including ongoing Individual Augmentee support to both operations. Our aircraft carriers provide about 30 percent of the close air support for troops on the ground in Afghanistan and our Navy and Marine Corps pilots fly an even greater percentage of electronic attack missions there.

Because our national interests extend beyond Iraq and Afghanistan, so do the operations of our Navy. More than 40 percent of our Navy is underway daily; globally present and persistently engaged. Last year, our Navy provided deterrence against North Korea; conducted counter-piracy operations in the Indian Ocean with a coalition of several nations; trained local forces in maritime security as part of our Global Maritime Partnership initiatives in Africa and the Pacific; responded with humanitarian assistance and disaster relief to the earthquake in Haiti and the flood in Pakistan; and conducted the world's largest maritime exercise, which brought together 14 nations and more than 20,000 military personnel, to improve coordination and trust in multi-national operations in the Pacific. Navy sealift continues to deliver the lion's share of heavy war and humanitarian equipment in the Central Command and Pacific Command areas of responsibility, while Navy logisticians operate the seaport and airport facilities that ensure this vital materiel arrives on time. Our Sailors remain forward throughout the world, projecting U.S. influence, responding to contingencies, and building international relationships that enable the safe, secure, and free flow of commerce that underpins our economic prosperity.

Our Navy's global presence guarantees our access and freedom of action on and under the sea. We are developing with the Air Force and Marine Corps the Air Sea Battle concept that will identify the doctrine, organization, training, procedures, and equipment needed for our Navy to counter growing military threats to our freedom of action. This joint effort will inform the conceptual, institutional, and material actions needed to employ integrated forces that support U.S. operations to project power and influence, protect allies and partners, and secure our national objectives in peace and war.

I remain committed to supporting our active and reserve Sailors, Navy civilians, and their families. Our Navy continues to be recognized as a highly ranked place to work as a result of its workforce planning, life-work integration, diversity, and training opportunities. We met or exceeded overall officer and enlisted active recruiting goals last year and we are accessing a force of extreme high quality. We continue to move forward on assigning women into our submarine force, with the first women submariners on track to report aboard SSBNs and SSGNs by the end of this year. We remain committed to performance as a criterion for promotion in our Navy, and have successfully transitioned the majority of our civilian personnel out of the National Security Personnel System (NSPS). Our remaining NSPS employees are scheduled to convert by the end of this year. I appreciate the support of Congress for our Fleet and the dedicated Sailors, Navy civilians, and their families that serve our nation every day.

My priorities for the Navy remain unchanged: to build tomorrow's Navy, to remain ready to fight today, and to develop and support our Sailors, Navy civilians, and their families. We continue to advance our Navy in each of these areas thanks to your support.

Our Navy remains the most capable maritime force in the world; however, we are stretching our force to meet Combatant Commander demands. Since 2000, our Navy's ship-underway days have increased by approximately 15 percent, yet we have about 10 percent fewer ships in our Fleet. Greater demand for our forces has led to longer deployments and shorter dwell, or turnaround times, which increase stress on our Sailors and drive up maintenance requirements for our ships and aircraft. We are implementing force management measures in the near term to stretch the capacity of our 286-ship force to meet increasing global requirements while providing the necessary maintenance our Fleet needs to reach its expected service life. Our Navy is different from other Services in that we reset our force "in stride"; that is, we rely upon regular maintenance of our ships and aircraft, and training and certification of our crews between deployments, to sustain our force. I thank Congress for their support of our fiscal year 2011 Operations and Maintenance (O&M) request, which would enable our Navy's continuous reset and translate into decades of service for each ship and aircraft, a significant return on investment.

Regrettably, the continuing resolution (CR) for fiscal year 2011 prevents us from applying the increased fiscal year 2011 O&M funding to improve our readiness, and it negatively impacts our ability to procure our future Navy and support our Sailors, Navy civilians, and their families. It has forced us to take mitigation measures that include: reducing operations, limiting numerous contracts for base operating support, slowing civilian hiring, reducing Permanent Change of Station notifications for our Sailors from about 6 months lead time to less than 2 months, not initiating the Small Business Innovative Research program, and delaying procurement contracts for new capabilities and existing production lines. Starting this month, we will cancel or scale back ship maintenance availabilities in Norfolk, Mayport, and San Diego, and cancel more than a dozen Milcon projects in several States. If the CR lasts all year, we will have no choice but to make permanent these mitigations and others, significantly reducing our operations, maintenance, and training. We will be forced to further reduce facilities sustainment, cancel training events and additional surface ship availabilities, and defer maintenance on our aircraft, which would result in almost a 1-year backlog in aviation maintenance. The impact of these actions will jeopardize the efforts we made in recent years to restore Fleet readiness. Without relief, we will procure only one Virginia class submarine and break the multiyear contract. Agreements made with our surface combatant builders, as a result of the DDG 1000/DDG 51 swap, precludes us from awarding any DDG 51s in fiscal year 2011 unless both ships are appropriated. In addition, without relief, we will delay the new start Mobile Landing Platform; we will constrain aircraft carrier construction and refueling, negatively impacting operational availability, increasing costs, and delaying CVN 79 delivery by up to 1 year; and we will limit aviation and weapons procurement to fiscal year 2010 quantities, impacting E-2D and Standard Missile production. A full-year continuing resolution will also defer essential research and development in unmanned aerial systems and significantly delay the design of our replacement strategic deterrent submarine and the recapitalization of our nuclear operator training infrastructure. It will eliminate our ability to source out-of-cycle overseas contingency operations demands for increased Fleet presence and activated Navy Reserve Sailors. Operating under a continuing resolution for a full year at the fiscal year 2010 level would have negative effects on our Fleet, on the ship and aviation industrial base, and on the many workers who support naval facilities. Your support in addressing this critical current and long term readiness issue is appreciated greatly.

Our fiscal year 2012 budget submission achieves the optimal balance among my priorities, but it is based on our funding request for fiscal year 2011. If the CR lasts all year, we will need to revisit our fiscal year 2012 request to properly balance our Navy for today and in the future. Our fiscal year 2012 budget request continues to rely on a combination of base budget and overseas contingency operations (OCO) funding, but it reduces the extent to which we rely on OCO funding for enduring missions. Our fiscal year 2012 request continues the effort we started 2 years ago to reduce the cost to own and operate our Fleet. We leveraged the opportunity presented by the Secretary of Defense to significantly reduce excess overhead costs, and apply the savings to warfighting capability and capacity, by executing a deliberate, thoughtful, and integrated approach to finding efficiencies that improve the long-term sustainability of our force. We are taking steps to buy smarter, streamline our organizations and operations, realign manpower, and pursue energy efficiencies. Through these efforts, and with your support, we will improve readiness and warfighting capabilities and optimize organizations and operations, including increasing the number of ships and aircraft in our procurement plans and enhancing or accelerating anti-access capabilities, unmanned systems, and energy initiatives.

Our fiscal year 2012 budget request supports our Maritime Strategy and continues to support our forces, take care of our people, rebalance our force to meet current and future challenges, and reform how and what we buy. Highlights follow.

BUILD TOMORROW'S NAVY

Since the release of our Maritime Strategy, I have stated our Navy requires a minimum of 313 ships to meet operational requirements globally. This minimum remains valid; however, we continue to examine this requirement to address increased operational demands and expanding requirements for ballistic missile defense, intra-theater lift, and forces capable of confronting irregular challenges. Our fiscal year 2012 submission funds 10 ships, including two Virginia class fast attack submarines, one Joint High Speed Vessel (JHSV), one LPD 17, one Mobile Landing Platform (MLP), one DDG 51, and four Littoral Combat Ships (LCS), which reflects our new LCS procurement plan under the dual award strategy. Our submission also supports the acquisition of an oceanographic ship. I thank Congress for their sup-

port of our LCS acquisition strategy and for our shipbuilding program. With your support over the last 3 years, we have been able to improve the balance among capability, capacity, affordability, and executability in our shipbuilding plan.

As I reported last year, I remain concerned about the capacity of our Fleet in the future. Starting in the 2020s, many of our existing cruisers, destroyers, and submarines will reach the end of their service lives. During this period, it will be particularly critical to procure sufficient new ships to offset these decommissionings to avoid a rapid decline in force structure. In the same timeframe, we will begin to procure the replacement for our Ohio class ballistic missile submarine, the most survivable leg of our Nation's nuclear deterrent triad. While we have reduced the cost of that submarine substantially, our total shipbuilding budget will be pressurized in that decade as we seek to recapitalize our surface and submarine forces while sustaining warfighting readiness and supporting our people. I am confident our near-term force structure plans provide the capability and capacity we need to meet demands today, but in this decade we must address how to best resource the shipbuilding programs required in the 2020s.

Our fiscal year 2012 program funds 203 manned aircraft. We have increased our procurement of P-8A Poseidon Maritime Patrol Aircraft to provide needed anti-submarine warfare capacity to our Fleet and facilitate a successful transition from our legacy P-3 Orion aircraft. Our fiscal year 2012 submission also procures 28 F/A-18 E/F aircraft, extending the F/A-18 procurement through fiscal year 2014 and purchasing 41 more aircraft than requested in last year's budget submission. I remain committed to the F-35 Joint Strike Fighter, and was pleased to see the first flight of the F-35C last year. The timely delivery of the F-35C remains critical to our future carrier airwing strike fighter capacity; however, we are procuring additional F/A-18 Super Hornets to address the decrease in strike fighter capacity we have identified. I thank Congress for their continued support of the F-35 program and our overall strike fighter fleet.

Our Navy is also looking beyond our ships and aircraft and investing in information capabilities that span space, cyberspace, and the electromagnetic spectrum. We moved boldly last year with the establishment of U.S. Tenth Fleet and the Deputy CNO for Information Dominance. That restructuring has enabled us to focus on enhancing our electronic warfare, information dominance, integrated air and missile defense, and anti-submarine warfare capabilities. I request Congress' support for these programs as they position our Navy to successfully conduct operations in an evolving anti-access environment today and in the future.

A viable, highly technical, and specialized industrial base is essential to sustaining the capability and capacity of our future Navy. Our shipbuilding and aviation industrial base is a strategic national asset and a significant contributor to our Nation's economic prosperity, employing more than 97,000 uniquely skilled Americans while indirectly supporting thousands more through second and third tier suppliers. The highly specialized skills in our shipbuilding base take years to develop; and, if lost, cannot be easily or quickly reconstituted. A viable shipbuilding industrial base, underpinned by predictable, level-loaded ship procurement, is essential to meet our nation's naval requirements.

I remain committed to delivering a balanced and capable Fleet that will meet our national security requirements. I seek your support for the following initiatives and programs:

AVIATION PROGRAMS

Aircraft Carrier Force Structure

Our nuclear-powered aircraft carrier fleet is capable of flexibly employing capabilities that span from power projection and deterrence to humanitarian assistance and disaster response. Our 11-carrier force structure is based on worldwide presence and surge requirements, while also taking into account training and maintenance requirements. Our Navy has put in place measures to minimize the impact of the 10-carrier period between the inactivation of U.S.S. *Enterprise* (CVN 65) and commissioning of U.S.S. *Gerald R. Ford* (CVN 78). After the delivery of CVN 78, we will maintain an 11-carrier force by continuing the refueling program for Nimitz class ships and delivering our Ford class carriers at 5-year intervals starting in 2020.

CVN 78, which is approximately 20 percent complete, is the lead ship of our first new class of aircraft carriers in nearly 40 years. These new carriers incorporate an innovative flight deck design that provides greater operational flexibility, a nuclear propulsion plant that generates more than 50 percent greater energy while decreasing maintenance requirements, and a combination of measures that reduce manning by more than 1,200 Sailors. Among the new technologies being integrated in these ships are the Dual Band Radar, the Electromagnetic Aircraft Launch System

(EMALS), and the Advanced Arresting Gear (AAG), which will enable the carrier to increase its sortie generation rate by 25 percent and lower total ownership costs. AAG is currently undergoing commissioning testing at our land-based testing facility and, in December, EMALS successfully launched an F/A-18 aircraft. Both systems are on schedule to support delivery of CVN 78 in September 2015.

Strike Fighter Capacity

I remain committed to the F-35 Joint Strike Fighter (JSF) program. The timely delivery of the F-35C carrier variant is critical to our future carrier airwing strike fighter capability and capacity. As a result of delays in the F-35 program, we are closely managing our strike fighter inventory to address the decrease in strike fighter capacity that is projected to peak in 2018 as our F/A-18A-D aircraft reach the end of their service life. Our actions include managing the service life of our A-D aircraft, extending the service life of our A-D aircraft, buying new F/A-18E/F Super Hornet aircraft, and maintaining wholeness in the F-35C program. With these measures, we can manage our current strike fighter inventory to meet TACAIR requirements.

F-35 Lightning II Joint Strike Fighter (JSF)

The F-35 program gives us the advanced sensor, precision strike, firepower, and stealth capabilities our Fleet needs. I continue to base our Initial Operating Capability (IOC) timeline for the F-35C on the level of capability delivered at the completion of Initial Operational Test and Evaluation of the F-35C equipped with Block 3 software. We are reviewing the results of the in-depth Technical Baseline Review and restructuring of the System Development and Demonstration (SDD) phase to determine our IOC. While the overall system demonstration and development schedule has slipped, we have not reduced the total number of airplanes we plan to buy. Our fiscal year 2012 request procures seven F-35C aircraft. We are monitoring the program closely and managing our existing strike fighter capacity to meet power projection demands until the F-35C is delivered. Procurement of an alternate engine for the F-35 increases our risk in this program. The Navy does not have a requirement for an alternate engine; indeed, we would only take one model to sea. Its additional costs threaten our ability to fund currently planned aircraft procurement quantities, which would exacerbate our anticipated decrease in strike fighter capacity throughout the remainder of this decade.

F/A-18A-D Hornet and F/A-18E/F Super Hornet

Our F/A-18A-D Hornet aircraft were originally designed for a service life of 6,000 flight hours. Through a life assessment program and High Flight Hour (HFH) inspections, which have been in place for 3 years, we have been able to extend the service life of our legacy F/A-18A-D aircraft to 8,600 flight hours. Our fiscal year 2012 budget requests funding to pursue a Service Life Extension Program (SLEP) for 150 F/A-18A-D aircraft, commencing in fiscal year 2012 at a rate of about 40 per year, that would further extend the service life of these aircraft to 10,000 flight hours. We are also conducting a life assessment program for our Super Hornet aircraft to extend their original 6,000-hour service life design to 9,000 hours. The F/A-18A-D HFH and SLEP are necessary measures to address our strike fighter inventory while preserving our investment in F-35C. To further reduce risk, we are accelerating the transition of 10 legacy F/A-18C squadrons to F/A-18 E/F Super Hornets, and our fiscal year 2012 budget requests funding to procure more F/A-18E/F Super Hornets than we requested last year. I thank Congress for their support of the F/A-18 program as we introduce F-35C into our Fleet.

EA-18G Growler

The Navy has been a leader in Airborne Electronic Attack (AEA) for more than half a century and AEA is in high demand. AEA provides one of the most flexible offensive capabilities available to the joint warfighter and is becoming increasingly important as technology capable of manipulating the electromagnetic spectrum matures. We are leveraging the mature and proven F/A-18E/F Super Hornet airframe to recapitalize our AEA capability with the EA-18G Growler. Although the EA-18G currently utilizes the same ALQ-99 Tactical Jamming System as the EA-6B, we are developing a new system, the Next Generation Jammer, as a replacement for the aging ALQ-99. The Next Generation Jammer will incorporate a Modular Open System Architecture and improved reliability and maintainability to provide a robust, flexible jamming capability that can evolve to address emerging threats. The EA-18G is in full rate production and we have accepted delivery of 43 aircraft. We have transitioned three EA-6B Prowler squadrons to EA-18G Growlers and two more squadrons are currently in transition. Our first EA-18G squadron deployed in November to Iraq. Our program of record will buy 114 total EA-18G aircraft, recapital-

izing 10 carrier-based EA-6B squadrons and four expeditionary squadrons, all to be stationed at NAS Whidbey Island. The program continues to deliver on schedule and our fiscal year 2012 budget requests funding for 12 EA-18Gs.

P-3C Orion and P-8A Poseidon Multi-Mission Maritime Aircraft

Our P-3C Orion aircraft remain in high demand today across a range of missions including Anti-Submarine Warfare, Anti-Surface Warfare, and time-critical Intelligence, Surveillance and Reconnaissance. Our Maritime Patrol Aircraft (MPA) force is a direct enabler for troops on the ground in Central Command while also ensuring access and battle space awareness at sea. Because we are operating our P-3Cs at a high rate, about 100 P-3 aircraft have been grounded since February 2005 for fatigue life and we anticipate continued groundings through the remainder of the P-3 program. Through significant congressional support for P-3C wing repairs and sustainment, as of February, we have a current inventory of 84 mission aircraft; a 58 percent increase since last year. Our fiscal year 2012 budget requests about \$100 million to continue our P-3C sustainment program. Continued investment in this program and in the modernization of our P-3s is critical to ensure we retain sufficient capacity to conduct maritime battle space awareness and support to land forces in Central Command, while successfully transitioning to the P-8A.

The P-8A Poseidon Multi-Mission Maritime Aircraft is ideally suited for regional and littoral operations, and is our pre-eminent airborne capability against submarine threats. Procurement of P-8A will deliver needed capacity for these missions. The P-8A is scheduled to reach initial operating capability and will begin replacing our aging P-3 Fleet in 2013. The current delivery schedule enables transition of two squadrons per year. Our fiscal year 2012 budget requests funding for 11 P-8A aircraft. I request Congress' support for the P-8A program schedule and for our P-3 sustainment and modernization program, the combination of which is essential to our transition to the next generation of MPA capability while avoiding future gaps in our MPA force.

E-2D Advanced Hawkeye

The E-2D Advanced Hawkeye aircraft, will replace the E-2C and represents a two-generation leap in airborne radar surveillance capability. The E-2D will improve nearly every facet of tactical air operations and add overland and littoral surveillance to support theater Integrated Air and Missile Defense (IAMD) against air threats in high clutter, complex electro-magnetic and jamming environments. The airborne radar on the E-2D, with its improved surveillance capability, is a key pillar of the Navy Integrated Fire Control-Counter Air (NIFC-CA) concept. Four test aircraft have been delivered to the Navy and we will commence operational test and evaluation in late 2011. The first Fleet squadron transition is planned for 2013, with an IOC scheduled for late 2014. Our fiscal year 2012 budget requests six E-2D aircraft. We plan to procure 75 aircraft, with the final aircraft procurement in 2019 and Full Operational Capability (FOC) in 2022.

MH-60R/S Multi-Mission Helicopter

The MH-60R and MH-60S are in full rate production. The MH-60R multi-mission helicopter replaces the surface combatant-based SH-60B and carrier-based SH-60F with a newly manufactured airframe and enhanced mission systems. With these systems, the MH-60R provides focused surface warfare and anti-submarine warfare capabilities for our strike groups and individual ships. The MH-60S supports surface warfare, combat logistics, vertical replenishment, search and rescue, air ambulance, airborne mine counter-measures, and naval special warfare mission areas. We have delivered 85 MH-60R and 187 MH-60S to our Fleet and our fiscal year 2012 budget requests funding for 24 MH-60R and 18 MH-60S helicopters.

SURFACE SHIP PROGRAMS

Littoral Combat Ship (LCS)

LCS is a fast, agile, networked surface combatant optimized to support naval and joint force operations in the littorals with capability to support open-ocean operations. It will operate with focused-mission packages to counter mine, small boat, and submarine threats in the littorals. The modular design and open architecture of the seaframe and mission modules provide the inherent flexibility to add or adapt capabilities as new technologies mature or to counter threats that emerge beyond the Mine Countermeasures, Surface Warfare, and Anti-Submarine missions currently planned for LCS. These ships will employ a combination of manned helicopters and unmanned aerial, surface, and undersea vehicles.

U.S.S. *Freedom* (LCS 1) completed her first operational deployment to the Southern and Pacific Commands in April 2010, 2 years early. While deployed, U.S.S. *Free-*

dom successfully conducted counter-drug missions and validated its open ocean capability, allowing us to learn valuable lessons from these real-world operations. U.S.S. *Independence* (LCS 2) was commissioned in January 2010 and is currently in Norfolk undergoing post-delivery tests and trials. We are seeing demonstrated performance and stability in the construction of LCS 3 and LCS 4 that captures lessons learned from the first ships. PCU *Fort Worth* (LCS 3) was launched and christened in December and is completing final construction. PCU *Coronado* (LCS 4) is almost 50 percent complete and is scheduled to be launched and christened later this year. Both LCS 3 and LCS 4 are experiencing minimal change and are scheduled to be delivered to the Navy in 2012 on cost and on schedule.

I thank Congress for approving the Navy's dual award strategy in December 2010. This strategy enables the Navy to save over \$2 billion in acquisition costs and acquire these ships well below the congressionally mandated \$480 million cost cap set in 2009. It allows our Navy to acquire an additional Littoral Combat ship, increasing needed capacity in our Fleet. I am impressed and satisfied with the capabilities of both LCS designs and remain committed to procuring 55 of these ships. Consistent with the dual award strategy, our fiscal year 2012 budget requests four LCS seaframes at a total cost of \$1.8 billion. The budget also requests two mission packages in fiscal year 2012. These packages provide the vital center for LCS's combat capability and we have aligned LCS mission module procurement with that of our LCS seaframes. I request your continued support as we continue to acquire the future capacity and capability the Fleet requires.

Ballistic Missile Defense (BMD)

The Navy's mature and proven maritime Ballistic Missile Defense (BMD) capability will play a primary role in the first phase of our Nation's Phased Adaptive Approach (PAA) for the missile defense of our NATO Allies in Europe. Our fiscal year 2012 budget requests funding to increase our current BMD ship capacity from 21 ships (5 cruisers and 16 destroyers) to 41 BMD capable ships by 2016. This planned capacity expansion will eventually include all of the Navy's Arleigh Burke class destroyers and nine Ticonderoga class cruisers. Until we grow our BMD ship capacity, our existing BMD ships may experience longer deployment lengths and less time between deployments as we stretch our existing capacity to meet growing demands.

As part of the PAA, we are working with the Missile Defense Agency to adapt Navy's proven and flexible Aegis BMD capability for use in an ashore configuration by repackaging components of the afloat Aegis Weapons System into modular containers for deployment to pre-prepared forward sites. The Aegis Ashore Missile Defense Test Complex is currently under development, with fabrication to begin in Kauai, Hawaii in 2013. This complex is a key enabler of the Aegis Ashore capability, which will be tested prior to shore placement overseas in 2015. This phased approach provides needed technology and capacity to pace the threat; it serves as a conventional counter to trends in global ballistic missile technology; and it allows for technological maturation through 2020.

DDG 51 Flight IIA and Flight III

To keep pace with the evolving air and missile defense threats, we restarted the DDG 51 Flight IIA production line in the fiscal year 2010 and fiscal year 2011 budgets with advanced procurement buys for DDG 113, 114, and 115. The restarted DDG 51 Flight IIA destroyers provide Navy with a proven multi-mission combatant that fills critical warfighting needs across the spectrum, and is the first warship built from the keel up to conduct maritime Ballistic Missile Defense. They will be the first Aegis ships to be built with the Open Architecture Advanced Capability Build (ACB) 12 Aegis Combat System. ACB-12 will allow these surface combatants to be updated and maintained with commercial off-the-shelf (COTS) technology, yielding reduced Total Ownership Cost and enhancing the ability to adapt to future military threats. Our fiscal year 2012 budget requests funding for the construction of DDG 116 as part of our plan to build seven more of the Flight IIA class over the FYDP (an increase of one DDG 51 over last year's budget). We also request just over \$75 million to support Research and Development for ACB-12, which will support the integration of this critical system on DDG 113 and our development of Aegis Ashore.

The follow-on to DDG 51 Flight IIA is the DDG 51 Flight III, which will commence with the construction of DDG 123. Flight III ships will be tailored for Integrated Air and Missile Defense (IAMD) and include the Air and Missile Defense Radar (AMDR), upgraded command and control software and hardware, and enhanced electrical power and cooling. Our fiscal year 2012 budget requests funding for a total of eight DDG 51 class ships, including funding for the first Flight III ship in fiscal year 2016.

Modernization

To counter emerging threats, we continue to make significant investments in cruiser and destroyer modernization to sustain our combat effectiveness and to achieve the 35 year service life of our Aegis fleet. Our destroyer and cruiser modernization program includes Hull, Mechanical, and Electrical (HM&E) upgrades, as well as advances in warfighting capability and open architecture to reduce total ownership costs and expand mission capability for current and future combat capabilities. In addition to HM&E upgrades, key aspects of our Destroyer and Cruiser modernization programs include the installation or upgrade of the Aegis weapons system to include an open architecture computing environment, addition of the Evolved Sea Sparrow Missile (ESSM), an upgraded SQQ-89A(V)15 anti-submarine warfare system, and improved air dominance with processing upgrades and Naval Integrated Fire Control-Counter Air capability. Our Destroyers also receive integration of the SM-6 missile, while our Cruisers receive installation of the AN/SPQ-9B radar and an upgrade to Close In Weapon System (CIWS) Block 1B. Maintaining the stability of the cruiser and destroyer modernization program is critical to our ability to provide relevant capability and capacity in our future Fleet. Our fiscal year 2012 budget requests funding for the modernization of four cruisers (three Combat Systems and one HM&E) and three destroyers (one Combat System and two HM&E).

DDG 1000

The DDG 1000 *Zumwalt* guided missile destroyer will be an optimally crewed, multi-mission surface combatant optimized for long-range precision land attack. In addition to providing offensive, distributed and precision fires in support of forces ashore, these ships will serve as test-beds for advanced technology, such as integrated power systems, a sophisticated X-Band radar, and advanced survivability features, which can inform future ship designs. Following a Nunn-McCurdy breach due to the reduction in procurement to three ships, we restructured the DDG 1000 program to remove the highest risk technology, the Volume Search Radar, from integration into the platform. DDG 1000 is more than 37 percent complete and is scheduled to deliver in fiscal year 2014 with an initial operating capability in fiscal year 2016.

Joint High Speed Vessel (JHSV)

The JHSV will deliver a new level of organic logistic and maneuver flexibility for Combatant Commanders. JHSV is a high speed, shallow draft ship. Its unique design allows the ship to transport medium payloads of cargo and/or personnel to austere ports without reliance on port infrastructure. JHSV-1 and -2 are currently under construction by Austal USA in Mobile, AL and are scheduled to be delivered in fiscal year 2012 and 2013. Our fiscal year 2012 budget requests funding for the construction of the third JHSV. We are currently developing a Memorandum of Agreement with the Army that would transfer programmatic oversight and responsibility for the entire JHSV program, including operations and maintenance, to the Navy. Upon the signing of the agreement, all JHSVs when delivered would be operated by the Navy's Military Sealift Command and manned by civilian or contract mariners.

SUBMARINE PROGRAMS

Virginia Class SSN

The Virginia class submarine is a multi-mission submarine designed to dominate the undersea domain in the littorals, access denied environments, and the open ocean. Now in its 14th year of construction, the Virginia program is demonstrating its continued ability to deliver this critical undersea asset affordably and on time. The Navy continues to realize a return on investment in the Virginia cost reduction program and construction process improvements through enhanced shipbuilder performance on each successive ship. A majority of the submarines contracted via multiyear procurement have delivered under budget and ahead of schedule, and their performance continues to exceed expectations with every ship delivered. I am pleased with the accomplishments of the combined Navy-Industry team and anticipate additional improvements as we ramp up production to two submarines per year, as requested in our fiscal year 2011 and 2012 budget submissions.

SSBN and Ohio Replacement

The Navy remains committed to recapitalizing the Nation's sea-based strategic deterrent, the most survivable leg of our nuclear triad. With a fleet of 14 Ohio class ballistic missile submarines (SSBN), we have been able to meet the strategic needs

of the Nation since 1980. This class will begin retirement after more than 40 years of service in 2027.

The 2010 Nuclear Posture Review reaffirmed that our Nation will continue to rely on a reliable and survivable sea-based strategic deterrent for the foreseeable future. To ensure the Navy is able to meet the Nation's demand in this critical capability, our fiscal year 2012 budget requests research and development funds for the design of the Ohio class replacement, enabling construction of the class beginning in 2019. The Ohio replacement will possess the endurance and stealth required for continuous, survivable strategic deterrence for decades to come. Appropriate R&D investment is essential to design a reliable and survivable submarine capable of deterring all potential adversaries. Over the past year, the Ohio replacement program has been thoroughly reviewed and all aspects of the program were aggressively challenged to drive down engineering and construction costs. Our fiscal year 2012 request represents best balance of needed warfighting capabilities with cost. The Ohio replacement program will leverage the many successes of the Virginia SSN program to achieve acquisition and total ownership cost goals. These efficiencies and a record of acquisition excellence are critical to minimize risk to our total force structure while recapitalizing sea-based strategic deterrence between fiscal year 2019 and fiscal year 2033.

AMPHIBIOUS WARFARE SHIPS

LPD 17 Class Amphibious Warfare Ship

The San Antonio class LPD (LPD 17) amphibious warfare ships provide the Navy and Marine Corps the ability to embark, transport, control, insert, sustain, and extract combat marines and sailors on missions that range from forcible entry to forward deployed crisis response. These ships have a 40-year expected service life and will replace four classes of older ships: the LKA, LST, LSD 36, and the LPD 4. Of the 11 ships in our program of record, five ships have been delivered, three have completed their initial deployments, and four are under construction. We continue to resolve material reliability concerns with the class and apply the lessons learned during initial operation of the early ships to those under construction. Quality continues to improve with each ship delivered as we work closely with the shipbuilder to address cost, schedule, and performance issues. Our fiscal year 2012 budget requests funding to procure the final ship in the program.

LHA Replacement (LHA(R))

LHA(R) is the replacement for our aging Tarawa class ships, which will reach the end of their extended service life between 2011–2015. LHA(R) will provide flexible, multi-mission amphibious capabilities by leveraging the LHD 8 design. The America (LHA 6) is now more than 30 percent complete and on schedule for delivery in fiscal year 2014. Beginning with LHA 8, the Navy will reintegrate the well deck into the large deck amphibious assault ships. Our fiscal year 2012 budget requests funding for research and development to support reintegration of the well deck into the design of the large deck amphibious ship and the construction of LHA 8 in fiscal year 2016.

Mobile Landing Platform (MLP)

Based on commercial technology, the Mobile Landing Platform (MLP) will enable the transfer of equipment, personnel, and sustainment at-sea, and delivery ashore in support of a wide range of contingency operations. Our fiscal year 2012 budget requests funding for one MLP and we intend to procure a total of three MLPs. We expect the first ship to deliver in fiscal year 2013 and project initial operating capability and incorporation into the Maritime Prepositioning Force (MPF) for 2015. In the Maritime Preposition Force, each of our existing Maritime Preposition Squadrons will be augmented by one MLP, one T-AKE combat logistics ship, and a Large Medium-Speed Roll-on/Roll-off (LMSR) cargo ship. The three T-AKE are all under contract with projected delivery dates beginning this year and going through fiscal year 2013.

INFORMATION DOMINANCE PROGRAMS

Unmanned Systems

Our Navy is developing a “family” of unmanned systems over, on, and under the sea to provide unique capability, in concert with our manned platforms, to rapidly secure access and establish maritime superiority at the time and place of our choosing. We are developing information architecture that will allow us to rapidly assimilate data into information for our commanders, enabling shorter decision cycles that will give us an advantage in joint and maritime operations.

Unmanned Aircraft Systems (UAS)

Our unmanned aircraft family of systems includes the Broad Area Maritime Surveillance (BAMS) UAS, which will enhance our situational awareness and shorten the sensor-to-shooter kill chain by providing persistent, multiple-sensor capabilities to Fleet and Joint Commanders. Through our recent memorandum of agreement with the Air Force, we are pursuing greater commonality and interoperability between BAMS and the Air Force's Global Hawk UAV. Our Vertical Take-off and Landing Tactical Unmanned Air Vehicle (VTUAV) is on its second deployment aboard the U.S.S. *Halyburton* (FFG 40) and will deploy in an expeditionary role to support combat operations in Afghanistan later this year. Our fiscal year 2012 budget includes about \$12 million in research and development funding to facilitate development of a weapons-capable VTUAV ready for deployment in late fiscal year 2012. Our fiscal year 2012 request also includes funding to develop a medium range maritime-based UAS (MRMUAS) and a Small Tactical Unmanned Aerial System (STUAS) that will support a variety of ships, Naval Special Warfare and Navy Expeditionary Combat Command units, and Marine Corps elements.

The Navy Unmanned Combat Aircraft System Demonstration (NUCAS-D) will prove carrier suitability of an autonomous, unmanned, low-observable, carrier-based aircraft. This effort includes maturing technologies for aircraft carrier catapult launches and arrested landings, as well as integration into carrier-controlled airspace. Initial flight tests to demonstrate carrier suitability are scheduled to start next year and autonomous aerial refueling demonstrations are planned for 2014. We will leverage the lessons learned from operating the demonstrator in developing a low-observable unmanned carrier-launched airborne surveillance and strike system (UCLASS). The UCLASS program will shorten the timeline to find, fix, track, target, engage, and assess time sensitive targets. UCLASS will integrate with the carrier air wings and increase the flexibility, versatility, and capability of the carrier force. We are currently developing the UCLASS acquisition strategy with OSD.

Unmanned Underwater Vehicles (UUV)

UUVs provide an innovative technological solution to augment manned platforms. Our Navy has logged more than 85,000 hours of UUV operations to improve battlespace awareness. Our small-body Littoral Battlespace Sensing (LBS) oceanographic autonomous undersea gliders have demonstrated the ability to conduct 6-month long autonomous operations and will achieve Initial Operating Capability this year. Our fiscal year 2012 budget requests about \$13 million for research, development, and procurement of the LBS glider. We are also developing Large Displacement UUVs (LDUUVs) with the capability to autonomously deploy and manage a variety of sensors and payloads. The development of these highly capable vehicles will require investment in commercially and militarily beneficial alternative energy technologies, including refinement of fuel cell technology and cutting edge battery technologies. Our fiscal year 2012 budget requests about \$50 million to develop an LDUUV, and I remain committed to conduct fully independent UUV missions with durations of 2 months by 2017. This capability will allow full scale employment and deployment of LDUUV squadrons in the 2020s.

Mobile User Objective System (MUOS)

Our Maritime Strategy demands a flexible, interoperable, and secure global communications capability that can support the command and control requirements of highly mobile and distributed U.S. and coalition forces. Satellite communications give deployed forces a decisive military advantage and often offer the only communication means to support ongoing operations. Rapidly expanding joint demand for more access at ever-higher data rates requires moving beyond our current legacy Ultra High Frequency (UHF) satellite capabilities. The Mobile User Objective System (MUOS) will help satisfy those demands when initial operational capability is reached in fiscal year 2012. The first satellite in our planned constellation of five is scheduled for on-orbit capability in May 2012. Our fiscal year 2012 budget submission continues our investment in MUOS to replace the aging UHF Follow-On (UFO) constellation. I request your continued support of MUOS and the critical narrowband communication capability it will provide to the joint warfighter.

Next Generation Enterprise Network (NGEN)

The Next Generation Enterprise Network (NGEN) is a Department of the Navy (DON) enterprise network that will provide secure, net-centric data and services to Navy and Marine Corps personnel after the current Navy-Marine Corps Intranet (NMCI) network stands down. In July, Navy awarded Hewlett Packard Enterprise Services with the Navy-Marine Corps Intranet (NMCI) continuity of services contract to transition the Navy out of Navy-Marine Corps Intranet (NMCI) and into

NGEN. NGEN will sustain the services currently provided by NMCI, while increasing government command and control of our network and enabling secure, reliable, and adaptable global information exchange. The initial NGEN contracts are expected to be awarded in the first quarter of fiscal year 2012. Our fiscal year 2012 budget requests an additional \$22 million to support government command and control of our networks and improve our network situational awareness and defense.

REMAIN READY TO FIGHT TODAY

Our Navy continues to experience a high tempo of global operations which I expect to continue even as combat forces draw down in Afghanistan. Global trends in economics, demographics, resources, and climate change portend an increased demand for maritime power and influence. America's prosperity depends upon the seas: 90 percent of world trade moves on the world's oceans and underwater telecommunications cables facilitate about \$3.2 trillion of commerce each year. As new trade patterns emerge, such as those that will result from the expansion of the Panama Canal and the opening of the Arctic, and as disruption and disorder persist in our security environment, maritime activity will evolve and expand. Seapower allows our Nation to maintain U.S. presence and influence globally and, when necessary, project power without a costly, sizeable, or permanent footprint ashore. We will continue to maintain a forward-deployed presence around the world to prevent conflict, increase interoperability with our allies, enhance the maritime security and capacity of our traditional and emerging partners, confront irregular challenges, and respond to crises.

High operational demand for our force over the last decade has led to longer deployments, lower dwell time, and reduced maintenance time for our surface ships. If these trends continue, our force will be less ready and less available than it is today because of increased stress on our Sailors and a reduction in our Fleet capacity as ships fail to reach their expected service lives. We have initiatives currently underway to address these trends. We are moving approximately 1,900 Sailors from shore billets onto our ships to meet operational demands while maintaining acceptable Fleet readiness levels and Sailor dwell time. To enhance the material readiness of our Fleet, we are improving our ability to plan and execute maintenance by increasing manning at our Regional Maintenance Centers (RMCs), and by institutionalizing our engineered approach to surface ship maintenance, converting the successes of our Surface Ship Lifecycle Maintenance (SSLCM) initiative I began 2 years ago into the Surface Maintenance Engineering Planning Program Activity (SURFMEPP). I remain focused on ensuring our Navy has a force that is maintained and trained to provide the capability and forward presence required in the two areas of interest identified in our Maritime Strategy, the Western Pacific and the Arabian Gulf, while preserving our ability to immediately swing from those regions and our Fleet concentration areas in the United States to respond to contingencies globally.

Our fiscal year 2012 base budget and Overseas Contingency Operations (OCO) funding requests balance the need to meet increasing operational requirements, sustain our Sailors' proficiency, and conduct the maintenance required to ensure our ships and aircraft reach their full service lives. It does not address the potential impacts of a full-year continuing resolution on our ongoing operations and maintenance afloat and ashore. Highlights follow of initiatives that ensure our Navy remains ready to fight today.

Depot Level Maintenance

Our ships and aircraft are valuable capital assets that operate in unforgiving environments. Keeping these assets in acceptable operating condition is vital to their ability to accomplish assigned missions and reach their expected service lives. Timely depot level maintenance, based on an engineered assessment of expected material durability and scoped by actual physical condition, will preserve our existing force structure. Continued investment in depot level maintenance is essential in achieving and sustaining the force structure required to implement our Maritime Strategy. Our combined fiscal year 2012 base budget and OCO funding requests fulfill 94 percent of the projected ship depot maintenance requirements necessary to sustain our Navy's global presence and 95 percent of our aviation depot maintenance requirements, servicing 742 airframes and 2,577 engines. The actual extent of our depot maintenance requirements will be determined by the final funding levels for fiscal year 2011. I request that you fully support our baseline and contingency funding requests for operations and maintenance to ensure the effectiveness of our force, safety of our Sailors, and longevity of our ships and aircraft.

Shore Readiness

Our shore infrastructure enables our operational and combat readiness, and is essential to the quality of life and quality of work for our Sailors, Navy civilians, and their families. High operational demands, rising manpower costs, and an aging Fleet of ships and aircraft cause us to take deliberate risk in shore readiness, specifically in sustaining our shore infrastructure. We have focused our facilities sustainment, restoration, and modernization funds on improving our housing for unaccompanied Sailors and investing in energy efficient building modifications. To source these enhancements, we have temporarily cancelled our demolition program and reduced our facilities sustainment posture to 80 percent of the modeled requirement. We have targeted our shore readiness investments in areas that have the greatest impact on achieving our strategic and operational objectives. These areas include support to our warfighting missions and capabilities, nuclear weapons security, quality of life for our Sailors and their families, and energy enhancements. We remain on track in our Homeport Ashore initiative to provide sufficient accommodations to our junior single Sailors by 2016, and we continue our support for family services. We plan to complete an expansion of 7,000 child care spaces in fiscal year 2011, allowing us to meet OSD's mandate of providing child care for 80 percent of the potential need in fiscal year 2012.

Training Readiness

Our Navy is leveraging Modeling and Simulation (M&S) extensively across the Fleet training continuum to reduce at-sea training requirements and associated operating costs and energy use. These virtual environments stress critical command and control warfare skills and fine tune basic warfighting competencies without going to sea. They provide synthetic events that are scalable and repeatable, including the ability to train multiple strike groups simultaneously. Synthetic training provides a complex, multi-faceted threat environment that cannot be efficiently recreated at sea on a routine basis. Ship command and control simulations, in conjunction with the Fleet Synthetic Training (FST) program, support unit level and integrated pre-deployment training and certification, including Joint Task Force Exercises (JTFEX), Ballistic Missile Defense Exercises (BMDEX), and LCS qualification and certification training. In fiscal year 2012, our Navy's use of simulators will reduce steaming days by 603 days for a savings of \$30 million, and flying hours by 5,400 hours, for a savings of \$35 million. The Fleet has placed FST as a top training priority with the objective to increase simulator use and synthetic training to reduce Fleet operating costs.

Although we are maximizing our use of synthetic training, it cannot completely replace our need to conduct live training. Simulators cannot replicate the physical environment, risks, stress, or experiences that live training provides. Naval units must be able to practice and hone their skills in the air and at sea. Having the right facilities and the ability to practice skill sets in a live operating environment are necessary for the proficiency and safety of our Sailors and for the warfighting effectiveness of our Fleet.

The proliferation of advanced, stealthy submarines continues to challenge our Navy's ability to guarantee the access and sustainment of joint forces. Robust Anti-Submarine Warfare (ASW) training with active sonar systems is vital for our Navy to effectively address this threat. The Navy remains a world leader in marine mammal research and we will continue our investment in this research in fiscal year 2012 and beyond. Through such efforts, and in full consultation and cooperation with other Federal agencies, we have developed effective measures that protect marine mammals and the ocean environment from adverse impacts of mid-frequency active (MFA) sonar while not precluding critical Navy training. We continue to work closely with our interagency partners to further refine our protective measures as scientific knowledge evolves. It is vitally important that any such measures ensure the continued flexibility necessary to respond to future national security requirements.

In January, we announced our plan to initially focus Joint Strike Fighter (JSF) homebasing on the west coast in accordance with 2010 Quadrennial Defense Review direction and the JSF Transition Plan. We also announced that we are suspending work on the Outlying Landing Field (OLF) draft environmental impact statement (EIS) planned for the east coast until at least 2014. At that time, we will re-evaluate the requirement for an OLF based on our east coast JSF basing and training requirements. We continue to experience capacity shortfalls at our current east coast field carrier landing practice sites that present challenges to meeting our current training requirements under both routine and surge conditions for existing Navy aircraft. We will continue to ensure we meet all our training requirements by implementing the measures necessary to use all available facilities.

Energy and Climate Change

The Secretary of the Navy and I are committed to advancing our energy security. I consider energy an operational imperative and I established the Navy's Task Force Energy more than 2 years ago to improve combat capability, assure mobility, and green our footprint. We will achieve these goals through energy efficiency improvements, consumption reduction initiatives, and the aggressive adoption of alternative energy and fuels. Reducing our reliance on fossil fuels will improve our combat capability by increasing time on station, reducing time spent alongside replenishment ships, and producing more effective and powerful future weapons.

Our tactical energy efforts fall into two categories: technical and behavioral changes that use energy more efficiently, and testing/certification of alternative fuels. We are making good progress on our efficiency initiatives. The U.S.S. *Makin Island* (LHD 8) uses hybrid propulsion and we are installing the same system on LHA-6 and LHA-7. We are developing a hybrid electric drive system for the DDG-51 class and I anticipate a land-based test as early as this summer. We continue to introduce advanced hull and propeller coatings and solid state lighting in our ships, and we are developing the Smart Voyage Planning Decision Aid to achieve more efficient ship routing. We are also implementing policies that encourage Sailors to reduce their personal energy usage. These incremental initiatives add up to significant efficiency improvements.

Our alternative energy programs are progressing. We are aggressively certifying elements of our operational force for biofuel use. To date we have operated the "Green Hornet" F/A-18 and MH-60S on camelina-based JP-5 fuel and the RCB-X riverine craft on algal-based F-76 fuel. Operational testing of energy efficiency upgrades to the Allison 501k engine completed last month and is a key milestone toward certification of our Navy combatants with marine gas turbine engines.

We have reduced our energy use ashore by more than 14 percent since 2003, as a result of our energy efficiency efforts, including energy efficiency building upgrades, energy management systems, procurement of alternative fuel vehicles, and achievement of sustainable building standards for all new construction and major renovation projects. Our continued investments in advanced metering and energy audits will help identify further opportunities for efficiency gains and alternative energy use. Our approach remains focused on integrating the right technology at the right time in the right place while transforming Navy culture and behavior for long term sustainability.

Since establishing Task Force Climate Change in 2009, our Navy has taken several actions to better understand and address the potential impacts of climate change on our Navy. We have increased our operational engagement in the Arctic, participating this past summer in Operation NANOOK/NATSIQ with Canada. We are re-assessing regional security cooperation, through our African, Southern, and Pacific Partnership station missions to include consideration of climate change adaptation, especially with respect to improving water security. We are also participating with the National Oceanographic and Atmospheric Administration (NOAA) and other Federal agencies to survey in the Arctic and improve our environmental observation and prediction capability worldwide. Scientific observations indicate that current changes to the climate are occurring on a decadal scale, giving our Navy enough time to conduct the studies and assessments necessary to inform future investment decisions.

Second East Coast Carrier-Capable Homeport

The Navy continues to focus on achieving the 2010 Quadrennial Defense Review direction to upgrade the carrier port of Mayport. Much like the dispersal of west coast aircraft carriers between California and Washington, a second homeport on the east coast to maintain aircraft carriers is prudent in the event of a natural or man-made disaster in Hampton Roads. The dredging project funded in fiscal year 2010 is underway and will ensure unimpeded access to Mayport. Our fiscal year 2012 budget requests funding for the Massey Avenue corridor improvement projects. We plan to request funding for the Wharf F recapitalization in fiscal year 2013, and the remaining projects within the FYDP, to establish Naval Station Mayport as nuclear carrier-capable homeport by 2019.

United Nations Convention on the Law of the Sea

The Navy has consistently supported a comprehensive and stable legal regime for the exercise of navigational rights and other traditional uses of the oceans. The Law of the Sea Convention provides such a regime with robust global mobility rules. I believe it essential that the United States become a full Party to the treaty. The Convention promotes our strategic goal of free access to and public order on the oceans under the rule of law. It also has strategic effects for global maritime part-

nerships and American maritime leadership and influence. Creating partnerships that are in the strategic interests of our Nation must be based on relationships of mutual respect, understanding, and trust. For the 160 nations who are parties to the Law of the Sea Convention, a basis for trust and mutual understanding is codified in that document. The treaty provides a solid foundation for the United States to assert its sovereign rights to the natural resources of the sea floor out to 200 nautical miles and on the extended continental shelf beyond 200 nautical miles, which in the Arctic Ocean is likely to extend at least 600 nautical miles north of Alaska. As a non-Party to the treaty, the United States undermines its ability to influence the future direction of the law of the sea. As the only permanent member of the U.N. Security Council outside the Convention, and one of the few nations still remaining outside one of the most widely subscribed international agreements, our non-Party status hinders our ability to lead in this important area and could, over time, reduce the United States' influence in shaping global maritime law and policy. The Law of the Sea Convention provides the norms our Sailors need to do their jobs around the world every day. It is in the best interest of our Nation and our Navy to ratify the Law of the Sea Convention. We must demonstrate leadership and provide to the men and women who serve in our Navy the most solid legal footing possible to carry out the missions that our Nation requires of them.

DEVELOP AND SUPPORT OUR SAILORS, NAVY CIVILIANS AND THEIR FAMILIES

Our Sailors, Navy civilians, and their families are the backbone of our Maritime Strategy. They make us who we are. Their skill, innovation, and dedication turn our ships, aircraft, weapons and systems into global capabilities that prevent conflict, build partnerships, and, when necessary, project combat power to prevail in war. Our investment in our Sailors, Navy civilians, and their families ensures our Navy's continued maritime dominance today and in the future.

Our fiscal year 2012 budget requests authorization and funding for 325,700 active and 66,200 reserve end strength. This request includes the migration of more than 1,800 military billets from shore and staff activities into the Fleet to man new ships and squadrons, restore optimal manning cuts, add needed information technology and nuclear operators to our force, and restore billets for fiscal year 2013 to extend U.S.S. *Peleliu* in commission. This migration will enhance our forces afloat; however, the transition will present challenges to our ability to maintain sea-shore flow for some of our enlisted Sailors and sustain manning levels across the force. We are aware of these challenges and believe the transition is manageable. Our fiscal year 2012 end strength request also begins to move end strength previously supported by OCO funding, namely our Navy Individual Augmentees (IAs), into our baseline program. We will execute a phased draw down of our OCO end strength as we project a gradual reduction of IA demands in Iraq and Afghanistan. Should IA demand remain at current levels, or increase over time, we will be challenged to meet manning requirements for our Fleet. Our Navy continues to size, shape, and stabilize our force through a series of performance-based measures designed to retain the skills, pay grades, and experience mix necessary to meet current and future requirements.

Our fiscal year 2012 endstrength reflects efficiencies in our manpower account that reduce excess overhead by disestablishing several staffs, but not their associated ships and aircraft, for submarine, patrol aircraft, and destroyer squadrons, as well as one Carrier Strike Group staff. We are disestablishing the headquarters of Second Fleet and transferring responsibility for its mission to U.S. Fleet Forces Command. These efficiencies streamline our organizations and allow us to reinvest the savings into warfighting capability and capacity.

I would like to touch briefly on the issue of changes to the healthcare benefit. Navy Medicine has been a leader in implementing pilot testing for the Department in a new concept called the Patient-Centered Medical Home. Beneficiaries have welcomed Navy Medicine's Medical Home Port initiative and it shows in their satisfaction scores. I am convinced that our beneficiaries will readily accept very modest changes to copayments as long as we continue to invest in these transformational approaches to delivering high quality healthcare. The proposals in the President's budget are consistent with our efforts over the last several years: a focus on internal efficiency, incentivizing the health behaviors we want, and ensuring all of our beneficiaries are treated equitably. I request you support these timely and appropriate efforts.

The tone of our force continues to be positive. In 2010, we conducted the Navy Total Force Survey, which was the first of its kind to assess the work-related attitudes and experiences of active and reserve Sailors and Navy civilians. The survey reported that Navy personnel are, overall, satisfied with the quality of their leader-

ship, benefits, compensation, and opportunities within the Navy for personal growth and development. The survey results reaffirmed what more than 20 national awards have recognized: that our Navy is a “Top 50” organization and an employer of choice among today’s workforce.

Our fiscal year 2012 budget request represents a balanced approach to supporting our Sailors and their families, sustaining the high tempo of current operations, and preserving Fleet and family readiness. Highlights follow of our efforts to develop and support our Sailors, Navy civilians and their families.

Recruiting and Retention

Our Navy has enjoyed strong recruiting success over the past 3 years, and we expect this trend to continue through fiscal year 2011. Fiscal year 2010 marked the third consecutive year Navy met or exceeded its overall enlisted recruiting goals in both the Active and Reserve Components and we continue to exceed Department of Defense quality standards in all recruit categories. We accessed the highest quality enlisted force in history last year, with more than 97 percent having traditional high school diplomas. Active officer recruiting for fiscal year 2010 also exceeded our overall goals. Reserve officer recruiting exceeded our fiscal year 2009 levels, but achieved only 95 percent of our fiscal year 2010 goal. Reserve medical officer recruiting continues to be our greatest challenge as the requirement for medical officers has increased by more than 100 percent since fiscal year 2008. We continue to explore new avenues for recruiting, including expanding our social media engagement to maintain a dialogue with potential applicants and influencers nationwide.

Navy will remain competitive in the employment market through the disciplined use of monetary and non-monetary incentives. Using a targeted approach, we will continue our recruiting and retention initiatives to attract and retain our best Sailors, especially those within high-demand, critical skill areas that remain insulated from economic conditions. We are taking advantage of current high retention rates and success in accessions by reevaluating all special and incentive pays and bonuses and reducing them where possible. Judicious use of special and incentive pays remains essential to recruiting and retaining skilled professionals in the current economic environment, and will increase in importance as the economic recovery continues. Our goal remains to maintain a balanced force, in which seniority, experience, and skills are matched to requirements.

To ensure we stay within our congressionally authorized end strength, we are executing force stabilization measures that include Perform-to-Serve (PTS) for enlisted Sailors and a series of Selective Early Retirement (SER) boards for Unrestricted Line (URL) Captains and Commanders. PTS considers the manning levels in each enlisted rating and reviews the record of Sailors eligible for reenlistment to determine if the Sailor should remain in the rating, convert to an undermanned specialty, transition to the reserves, or separate from the Navy. The SER boards will address the excess inventory of active component Captain (O6) and Commander (O5) URL officers in our Navy to ensure sufficient senior officers are available at the right time in their careers to serve in critical fleet billets. We project approximately 100 URL Captains and 100 URL Commanders will be selected for early retirement through this process. With these performance-based measures, we expect to meet our fiscal year 2011 authorized active end strength of 328,700 and reserve end strength of 65,500 by the end of the fiscal year. We will be challenged to meet our active and reserve end strength targets in fiscal year 2012 using existing force shaping measures. As a result of continued high retention and low attrition across the force, we are facing increasing pressure to use involuntary force shaping measures to remain within our authorized end strength.

Diversity

Demographic projections estimate that today’s minorities will make up more than one-third of our Nation’s workforce by 2020; by 2050, that projection increases to about half of our workforce. Our ability to access and retain the talents of every component group in our society is critical to our mission success. Recruiting and retaining a diverse workforce, reflective of the Nation’s demographics at all levels of the chain of command, remains a strategic imperative and a focus area for leaders throughout our Navy. To foster a Navy Total Force composition that reflects America’s diversity, we are focusing our efforts on outreach, mentoring, leadership accountability, training, and communication. Our diversity outreach efforts have contributed to our 2014 U.S. Naval Academy and NROTC classes being the most diverse student bodies in our history. We have increased diverse accessions through targeted recruiting in diverse markets, developing relationships with key influencers in the top diverse metropolitan markets, and aligning Navy assets and organizations to maximize our connection with educators, business leaders and government

officials to increase our influencer base. We continue to expand our relationships with key influencers and science, technology, engineering, and mathematics (STEM)-based affinity groups to inform our Nation's youth about the unique opportunities available in our Navy. We are also building and sustaining a continuum of mentorship opportunities that includes the chain of command, individual communities, social networking, peer-to-peer relationships, and affinity groups. We will continue to ensure that all Sailors are provided with opportunities to develop personally and professionally.

Women on Submarines

After notifying Congress last year of our intent to assign women to submarines, the Secretary of the Navy and I have authorized female officers to serve aboard Ohio class SSBN and SSGN submarines. This will enable our submarine force to leverage the tremendous talent and potential of the women serving in our Navy. The first 18 female submarine officers commenced the standard 15-month nuclear and submarine training pipeline in 2010, and will begin arriving at their submarines at the end of this year. These officers will be assigned to two ballistic missile (SSBN) and two guided missile (SSGN) submarines which have the space to accommodate female officers without structural modification. The plan also integrates female supply corps officers onto SSBNs and SSGNs at the department head level. In December, the Secretary of Defense notified Congress of Navy's intent to expend funds to commence design and study efforts regarding reconfiguration of existing submarines to accommodate female crew members, as well as to design the Ohio replacement SSBN with the flexibility to accommodate female crew members.

Don't Ask, Don't Tell

I am pleased Congress voted to repeal section 654 of Title 10, United States Code, commonly referred to as the "Don't Ask, Don't Tell" (DADT) statute. Legislative repeal affords us the time and structured process needed to effectively implement this significant change within our Armed Forces. As I testified in December, we will be able to implement a repeal of DADT in our Navy. I assess the risk to readiness, effectiveness, and cohesion of the Navy to be low. Our implementation process will be thorough, but timely. We are preparing the necessary policies and regulations to implement this change in law and training Sailors and leaders at all levels to ensure they understand what repeal means to them, their families, and the Navy. Before repeal can occur, the President, Secretary of Defense, and Chairman of the Joint Chiefs must certify that the change can be made in a manner consistent with the standards of military readiness, military effectiveness, unit cohesion, and recruiting and retention of the Armed Forces. I will provide Navy's input to the certification process and I remain personally engaged in this process.

Sailor and Family Continuum of Care

We remain committed to providing our Sailors and their families a comprehensive continuum of care that addresses all aspects of medical, physical, psychological, and family readiness. Our fiscal year 2012 budget request expands this network of services and caregivers to ensure that all Sailors and their families receive the highest quality healthcare available.

Navy Safe Harbor is at the forefront in Navy's non-medical care for all seriously wounded, ill, and injured Sailors, Coast Guardsmen, and their families. We have expanded our network of Recovery Care Coordinators and non-medical Care Managers to 12 locations across the country. Safe Harbor continues to provide exceptional, individually tailored assistance to a growing enrolled population of more than 600 individuals. Over 116,000 Sailors and their spouses have participated in Operational Stress Control (OSC) training, which actively promotes the psychological health of Sailors and their families by encouraging them to seek help for stress reactions early, before they become problems. The Warrior Transition Program (WTP) and Returning Warrior Workshops (RWW) are essential to post-deployment reintegration efforts. The WTP offers an opportunity for IA Sailors redeploying from a combat zone to decompress, turn in their gear, and receive tools that will help them ease their transition back to their home and families. The RWW is designed to address personal stress that may be generated by deployment activities and it supports and facilitates the reintegration of the deployed Sailor with his/her spouse and family. The RWW also provides a safe, relaxed atmosphere in which to identify and address potential issues that may arise during post-deployment reintegration.

Stress on the Force

While the overall tone of our force remains positive, current trends suggest that high operational tempo, increasing mission demands, lean manning, force shaping, and economic conditions are placing increased stress on our Navy personnel. Our

fiscal year 2012 budget requests increased funding to improve our program manager-level support of our suicide prevention and stress control programs.

Suicide dramatically affects individuals, commands and families. Over the last year, we expanded our approach to preventing suicides from historic suicide surveillance and annual awareness training to include more comprehensive resilience building and tailored suicide prevention training, peer intervention, research and analysis. We saw a reduction in our number of suicides from 46 in calendar year 2009 to 38 in calendar year 2010. Our calendar year suicide rate also decreased from 13.3 per 100,000 Sailors in 2009 to 10.9 per 100,000 Sailors in 2010. Our 2010 suicide rate is below the national rate of 19.0 per 100,000 individuals for the same age and gender demographic; however, any loss of life as a result of suicide is unacceptable. Suicide prevention is an "all hands, all the time" effort involving our Sailors, families, peers, and leaders. We continue to work toward a greater understanding of the issues surrounding suicide to ensure that our policies, training, interventions, and communications are meeting intended objectives.

We are integrating our suicide prevention efforts into the broader array of programs we offer to improve the resilience of our force. These programs, aimed at reducing individual stress, address issues, such as substance abuse prevention, financial management, positive family relationships, physical readiness, and family support.

We continue our efforts to eliminate sexual assault by fostering a culture of prevention, victim response and offender accountability. Sexual assault is incompatible with our Navy core values, high standards of professionalism, and personal discipline. We have organized our efforts in this critical area under the Navy Sexual Assault Prevention and Response (SAPR) program. The SAPR program and the Naval Safety Center and Alcohol and Drug Prevention Program are currently developing an integrated approach to sexual assault prevention that includes clear leadership communication, bystander intervention training for Sailors to help them recognize and interrupt risky situations, and training for military investigators and lawyers on issues specific to sexual assault investigation and prosecution.

Learning and Development

Education and training are strategic investments that give us an asymmetric advantage over adversaries. To develop the highly skilled, combat-ready force necessary to meet the demands of the Maritime Strategy and the Joint Force, we have 15 learning centers around the country providing top-notch training to our Sailors, Navy civilians and members of the other Services. In fiscal year 2010, we completed learning and development roadmaps for all enlisted ratings, providing Sailors with detailed information about the required training, education, qualifications and assignments they need to succeed in their career fields. We continue to leverage a blended training approach, integrating experienced instructors, advanced technology, and state-of-the-art delivery systems with modularized content in order to provide the right training at the right time in a Sailor's career. We are balancing existing education and training requirements with growth in important mission areas such as cyber defense, missile defense, and anti-submarine warfare. Cultural, historical, and linguistic expertise remain essential to successfully accomplishing the Navy's global mission, and our budget request supports our Language, Regional Expertise, and Culture (LREC) program as well as the Afghanistan-Pakistan (AF-PAK) Hands Program sponsored by the Joint Staff. Last year the LREC program provided language and cultural training to more than 120,000 Sailors en route to overseas assignments. We recognize the importance of providing our people meaningful and relevant education, particularly Joint Professional Military Education (JPME), which develops leaders who are strategically minded, capable of critical thinking, and adept in naval and joint warfare. Our resident courses at Naval War College, non-resident courses at Naval Postgraduate School and in the Fleet Seminar program, and distance offerings provide ample opportunity for achievement of this vital education.

CONCLUSION

You can be exceptionally proud of our Sailors. They are our Nation's preeminent force at sea, on land, and in air, space, and cyberspace. While the future is not without challenges, I am optimistic about our future and the global opportunities our Navy provides our Nation. Our fiscal year 2012 budget request represents a balanced approach to increasing Fleet capacity, maintaining our warfighting readiness, and developing and enhancing our Navy Total Force. I ask for your strong support of our fiscal year 2012 budget request and my identified priorities. Thank you for your unwavering commitment to our Sailors, Navy civilians, and their families, and

for all you do to make our United States Navy an effective and enduring global force for good.

Chairman INOUE. And may I now call upon the Commandant of the Marine Corps, General Amos.

STATEMENT OF GENERAL JAMES F. AMOS, COMMANDANT, UNITED STATES MARINE CORPS

General AMOS. Mr. Chairman, Ranking Member Cochran, members of the subcommittee, it's my honor to appear before you today, for the first time, as our Nation's Commandant of the Marine Corps.

The Corps serves as America's expeditionary force in readiness, a balanced air-ground logistics team of 202,000 Active, 39,000 Reserve, and 35,000 civilian marines.

Today, there are over 32,000 marines forward-deployed around the world. As we sit here in the comfort of this hearing room, it's just past 8:30 in the evening in Afghanistan. The rainy season has hit. The evenings remain cold and damp. It's in this nation where 20,000 of our young men and women are engaged in full-spectrum combat and counterinsurgency operations. I'm encouraged by the significant progress they have made in the Helmand Province. And you have my assurance that this effort remains my top priority.

Sergeant Major Kent and I spent Christmas with our marines and sailors in Afghanistan, and I'm happy to report that their morale is high and their belief in their mission remains strong.

Partnered with the United States Navy, we are forward-deployed and forward-engaged. This past year alone, our float forces conducted humanitarian assistance missions in Pakistan, Haiti, and the Philippines, recaptured the pirated ship, *Magellan Star*, from its Somali pirates. And 2 weeks ago, marines from the 1st Battalion, 2d Marine Regiment, rapidly deployed to the Mediterranean to join their brothers and sisters on board two amphibious ships. This formidable force is underway now, prepared to do our Nation's bidding.

Likewise, on the opposite side of the world, marines based on Okinawa rapidly responded to our ally, Japan, following this week's devastating earthquake and tsunami. Within hours of this tragedy, marine aviation units from the Marine Corps Air Station Futenma Okinawa began transporting humanitarian assistance goods, disaster response planning teams, and personnel to impacted areas. We have established a forward-refueling and operating base, just west of the devastation, to facilitate around-the-clock search-and-rescue and transport operations. Our marines already on the ground are being joined by 2,200 marines and sailors from the three amphibious ships of the 31st Marine Expeditionary Unit. In addition to a multitude of other capabilities, the 31st MEU is optimized for humanitarian assistance and disaster response operations.

Evidenced by what has unfolded globally just within the last 2 weeks, our role as America's crisis response force necessitates that we maintain a high state of readiness. Our mission is simple. We need to be ready to respond to today's crisis, with today's force, today.

I am keenly aware of the fiscal realities confronting our Nation. During these times of constrained resources, the Marine Corps remains committed to being the best stewards of scarce public funds. We maintain a longstanding tradition in Congress as the Department of Defense's penny-pinchers. Our institutionalized culture of frugality positions us as the best value for the Defense dollar.

For approximately 8.5 percent of the annual Defense budget, the Marine Corps provides the Nation 31 percent of its ground operating forces, 12 percent of its fixed-wing tactical aircraft, and 19 percent of its attack helicopters. This year's budget submission was framed by my four service-level priorities: We will, one, continue to provide the best-trained and -equipped marine units to Afghanistan; two, rebalance our Corps and posture it for the future in a post-Afghanistan environment; three, better educate and train our marines to succeed in increasingly complex environments; and last, but not least, we will keep faith with our marines, our sailors, and our families.

While these priorities will guide our long-term planning for the Marine Corps, there are pressing issues that face our Corps today that concern me, issues for which I ask for Congress' continued assistance in solving. Our equipment abroad and at home stations has been heavily taxed in the nearly 10 years of constant combat operations. The price tag for reset today is \$10.6 billion. The F-35B STOVL Joint Strike Fighter is vital to our ability to conduct expeditionary airfield operations. Continued funding and support from Congress for this important program is of utmost importance to me and the Marine Corps.

You have my promise that, during the next 2 years of F-35B scrutiny, I will remain personally engaged with the program, closely supervising it. Both the Secretary of Defense and the Secretary of the Navy have reaffirmed the necessity of the Marine Corps' amphibious assault mission. We must develop an affordable and capable amphibious vehicle to project marines from sea to land in permissive and uncertain and in hostile environments. I ask for your support to reach this goal.

To ensure the Marine Corps remains a relevant force with a capacity and capability to respond to the demands of the future security environment, we recently conducted a detailed and internally driven force-structure review. The results of this effort provide America a strategically mobile, middleweight force, optimized for forward presence in crisis response.

Finally, I would like to comment on the impact of—the current continuing resolution has had on our operations and programs. As of this morning, \$1 billion in military construction contracts have not been awarded; \$2.4 billion of Milcon is at risk for the remainder of the year. These project impact—projects impact the lives of marines, the local economies and communities around our bases and stations, and are projected to generate over 63,000 jobs, from the Carolinas to Hawaii.

If the continuing resolution extends through the entire fiscal year, 13 bachelor enlisted quarters (BEQ), totaling 5,000 affected spaces, will not be built, thus stymieing our BEQ modernization plans. These 13 BEQs will allow eight infantry battalions to move out of 50-year-old cold war-era barracks.

Finally, a continuing resolution could prove catastrophic to our procurement accounts, resulting in the loss of almost one-third of our procurement budget.

Last, you have my promise that, in these challenging times ahead, the Marine Corps will only ask for what it needs, not what it might want. We will make the hard decisions before coming to Congress, and we will redouble our efforts toward our traditional culture of frugality.

PREPARED STATEMENT

Once again, Mr. Chairman, I thank you, and each of you, for your continued support. I'm prepared to answer your questions.

Chairman INOUE. Thank you very much, Commandant.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES F. AMOS

AMERICA'S EXPEDITIONARY FORCE IN READINESS

The Marine Corps is America's Expeditionary Force in Readiness—a balanced air-ground-logistics team. We are forward-deployed and forward-engaged: shaping, training, deterring, and responding to all manner of crises and contingencies. We create options and decision space for our Nation's leaders. Alert and ready, we respond to today's crisis, with today's force . . . Today. Responsive and scalable, we team with other services, allies and interagency partners. We enable and participate in joint and combined operations of any magnitude. A middleweight force, we are light enough to get there quickly, but heavy enough to carry the day upon arrival, and capable of operating independent of local infrastructure. We operate throughout the spectrum of threats—irregular, hybrid, conventional—or the shady areas where they overlap. Marines are ready to respond whenever the Nation calls . . . wherever the President may direct.

GENERAL JAMES F. AMOS

AMERICA'S EXPEDITIONARY FORCE IN READINESS

Today, your United States Marine Corps is foremost America's Expeditionary Force in Readiness. Established originally by an act of the Second Continental Congress on November 10, 1775, your Marine Corps has evolved over 235 years into a balanced air-ground-logistics team that is forward deployed and forward engaged: shaping, training, deterring, and responding to all manner of crises and contingencies.

Through the ongoing support of Congress and the American people, your Marine Corps is a cohesive force of 202,100 Active Duty Marines; 39,600 Selected Reserve Marines; and 35,000 Civilian Marines. At any given time, approximately 30,000 Marines are forward deployed in operations supporting our Nation's defense.¹ This year, as our Nation recognizes a decade since the tragic events of 9/11, your Marine Corps has been conducting Overseas Contingency Operations for an equal amount of time. From Task Force 58 with 4,400 Marines launching from six amphibious ships to secure critical lodgments in Afghanistan in late 2001 to our counterinsurgency efforts in the Al Anbar province of Iraq and to our current operations in the Helmand River Valley of Afghanistan, your Marines have been forward deployed in the service of our Nation.

Yet, during this time the Marine Corps has not been confined solely to major combat operations and campaigns. From our rapid response aiding fellow Americans and enabling joint and interagency relief efforts following Hurricane Katrina's floods, to our non-combatant evacuation operation of 14,000 American citizens from Lebanon in 2006, to our numerous and ongoing security cooperation missions with nations of Africa, Eastern Europe, the Pacific Rim, and Latin America, the United States Marine Corps continues to demonstrate the agility and flexibility expected of

¹As of December 2010, there were approximately 20,700 Marines in Afghanistan including Marines serving in external billets (e.g. transition teams and joint/interagency support, etc.); 6,200 at sea on Marine Expeditionary Units; and 1,600 Marines engaged in various other missions, operations and exercises. The 30,000 statistic excludes over 18,000 Marines assigned to garrison locations outside the continental United States such as in Europe, the Pacific, etc.

America's principal crisis response force. Over the course of the past year alone, your brave men and women who wear the Marine uniform and who bring a diversity of talent in service to our Nation, have simultaneously:

- Waged an aggressive full-spectrum counterinsurgency operation in Afghanistan while concurrently increasing combat power nearly two-fold (i.e. from 10,600 to 19,400) in accordance with the President's December 2009 Afghanistan-Pakistan strategy;
- Successfully completed our mission in Iraq, bringing stability to Al Anbar province. This achievement was not without sacrifice and suffering in that 1,022² Marines gave their lives and 8,626 Marines were wounded in action;
- Partnered with allied forces in engagement missions throughout every Geographic Combatant Commander's Area of Responsibility;
- Conducted foreign humanitarian assistance and disaster relief missions in Pakistan, Haiti, and the Philippines;
- Participated in maritime security operations to ensure freedom of navigation along vital sea lines of communication, to include the recapture of the vessel *Magellan Star* and rescue of its crew from Somali pirates; and
- Rapidly reinforced U.S. Embassies in Port au Prince, Haiti; Conakry, Guinea; Bishkek, Kyrgyzstan; and most recently Cairo, Egypt to assist and protect diplomatic personnel amidst crises in these foreign capitals.

Their actions align with the functions of our Corps as seen in the new Department of Defense Directive 5100.01, Functions of the Department of Defense and Its Major Components, and are a critical link to the continued prosperity and security of our Nation and the survival of our friends, allies and partners. The performance of your Marines on the global stage adds to our storied legacy of sacrifice and success—under even the most adverse conditions—inspiring a sense of pride and confidence in the American public that their Marines are able to respond quickly, ensuring the Nation's interests will be protected.

FUTURE SECURITY ENVIRONMENT

Public law, defense policy, our doctrine and operating concepts, and the future security environment shape how we organize, train, and equip our forces. As we look ahead, we see a world of increasing instability, failed or failing states, and conflict characterized by: Poverty, unemployment, urbanization, overpopulation, and extremism; competition for scarce natural resources; and rapid proliferation of new technologies to include capabilities to disrupt cyber networks, advanced precision weaponry, and weapons of mass destruction.

These troubling socio-economic and geopolitical trends converge in the littorals—regions along the world's coastline where the sea joins with the land. The majority of the world's population lives near the sea. The trend toward accelerated birth rates in the developing world, coupled with ongoing migration from rural to urban landscapes, results in hyper-populated coastal regions, burdened by the cumulative stressors of criminality, extremism, and violence.

Littoral cities increasingly may assume what some have called feral qualities, raising the potential for conflict, providing a measure of sanctuary for our adversaries, and posing challenges to governmental sovereignty and regional security. It is in this complex environment that your United States Marine Corps will operate. We stand optimally postured to conduct a range of operations for Joint Force commanders, bridging the gap between operations at sea and on land.

Nonetheless, we are committed to the prevention of conflict as we are to responding to it. Indeed, 21st century security challenges require expansion of global engagement—facilitated through persistent forward naval presence—to promote collective approaches to addressing common security concerns. Accordingly, forward deployed Marine forces will increasingly conduct theater security cooperation activities and will build partnership capacity through security force assistance missions with our allies and partners around the globe. The goal of our engagement initiatives is to minimize conditions for conflict and enable host nation forces to effectively address instability as it occurs.

ROLE OF THE MARINE CORPS

The United States is a maritime nation with global responsibilities. With a naval tradition as the foundation of our existence, we remain firmly partnered with the U.S. Navy. Forward deployed, we retain the ability to come from the sea rapidly to conduct missions across the range of military operations. Our persistent forward

² 1022 deaths = 851 killed in action (hostile) and 171 deceased (non-hostile).

presence and multi-mission capability present an unparalleled ability to rapidly project U.S. power across the global commons—land, sea, air, space, and cyber.

Amphibious forces with robust and organic logistical sustainment provide a maritime Super Power significant advantages, including the ability to overcome the tyranny of distance and to project power where there is no basing or infrastructure—a strong deterrent capability for our Nation. To Marines, “expeditionary” is a state of mind that drives the way we organize our forces, train, develop and procure equipment. By definition, our role as America’s crisis response force necessitates a high state of unit readiness and an ability to sustain ourselves logistically. We must be ready to deploy today and begin operating upon arrival, even in the most austere environments. The United States Marine Corps affords the following three strategic advantages for our Nation:

- A versatile “middleweight” capability to respond across the range of military operations. We fill the gap in our Nation’s defense as an agile force capable of operating at the high and low ends of the threat spectrum or the indistinct areas in between.
- An inherent speed and agility that buys time for National leaders. Our flexibility and rapid response capability present unique opportunities to develop strategic options, shape the environment, and set conditions to deploy the full capabilities of the Joint Force and other elements of National power.
- An enabling and partnering capability in joint and combined operations. Our unique forward posture aboard amphibious ships, manned by well trained, uniformed sailors, positions us to be the “first to fight.”

USMC PRIORITIES

My four service level priorities informed this year’s budget submission. These priorities were influenced by and derived from a number of factors to include our understanding of the 21st century battlefield based on lessons learned over nearly a decade at war, our examination of the future security environment, our doctrine and operating concepts, and our current and future budgetary and programmatic requirements.

These priorities are aligned with the principal recommendations of the 2010 Quadrennial Defense Review, meeting its end state of ensuring that the Marine Corps is able to “prevail in today’s wars, prevent and deter conflict, prepare to defeat adversaries and succeed in a wide range of contingencies, and preserve and enhance the All-Volunteer Force.” My priorities also support America’s four enduring strategic interests as identified in the 2010 National Security Strategy.³ To that end, we will:

- Continue to provide the best trained and equipped Marine units to Afghanistan;
- Rebalance our Corps, posture it for the future, and aggressively experiment with and implement new capabilities and organizations;
- Better educate and train our Marines to succeed in distributed operations and increasingly complex environments; and
- Keep faith with our Marines, our Sailors and our families.

The above priorities guide my long-term plan for the Marine Corps; however, there are pressing issues facing our Corps today that give cause for concern.

- Equipment.*—Our equipment abroad and at home station has been “heavily taxed” in the nearly 10 years of constant combat operations. We require funding to reset equipment being utilized overseas and to reconstitute home-station equipment and modernize for the future. This is critical to maintaining readiness throughout the Corps.
- The Short Take-Off and Vertical Landing F-35B Joint Strike Fighter.*—The F-35B is vital to our ability to conduct combined arms operations in expeditionary environments. Continued funding and support from Congress for this program is of utmost importance.
- Amphibious Combat Vehicle.*—We will begin the development of an affordable and capable amphibious combat vehicle to replace the recently cancelled Expeditionary Fighting Vehicle program. The capability inherent in a ship-to-shore connector is critical to our expeditionary nature, as affirmed by the Secretary of Defense.

³(1) Security of the United States, its citizens, and U.S. allies and partners; (2) a strong, innovative, and growing U.S. economy in an open international economic system that promotes opportunity and prosperity; (3) respect for universal values at home and around the world; (4) and an international order advanced by U.S. leadership that promotes peace, security, and opportunity through stronger cooperation to meet global challenges. 2010 National Security Strategy Pg. 7.

—*End Strength*.—The drawdown of our active component from 202,100 to 186,800 must be conditions-based, and only after completion of our mission in Afghanistan. We must keep faith with our Marine Corps family by allowing appropriate time and support for those departing the force and to ensure the resiliency of our units still engaged in war.

—*Family Readiness Programs*.—Like our equipment, Marines and their families have been “heavily taxed” since 9/11. We will continue to fund family readiness and family support programs that are vital to the health and welfare of our entire Marine Corps family.

—*Amphibious Ships*.—The Navy and Marine Corps have determined a minimum force of 33 ships represents the limit of acceptable risk in meeting the 38-ship amphibious force requirement for the Assault Echelon. Marines are best positioned to engage and respond to the Nation’s security interests from amphibious ships.

The Marine Corps needs the continued support of Congress in confronting these critical issues and the many others discussed below. My promise to Congress is that we will do our part by continuing to be good stewards of our taxpayers’ dollars.

FISCAL YEAR 2012 BUDGETARY SUBMISSION

The Marine Corps maintains a longstanding tradition in the Department of Defense as being “Penny Pinchers.” A prime example of our many noteworthy cost-saving measures is our practice of units deploying to Afghanistan utilizing equipment sets maintained and repaired in country—a measure saving significant funds annually on costs associated with the cycle of deployment and redeployment. Our institutionalized culture of frugality, streamlined business practices, lean structure, and multi-mission capability, position us as the “best value” for the defense dollar. This fiscal year we are seeking over \$40 billion⁴ to fund ongoing operations, provide quality resources for our Marines, Sailors and their families, conduct reset of equipment stressed from nearly 10 years at war, and prepare our forces for future missions. For approximately 8.5 percent⁵ of the annual Defense budget, the Marine Corps provides the Nation approximately 31 percent of its ground operating forces (Combat, Combat Support and Combat Service Support), 12 percent of its fixed wing tactical aircraft, and 19 percent of its attack helicopters.

During these times of constrained resources, the Marine Corps remains committed to streamlining operations, identifying efficiencies, and reinvesting savings to conserve scarce public funds. At the direction of the Secretary of Defense in June 2010, the services conducted an efficiencies review and our fiscal year 2012 budget is the result of a thorough study of all of our business activities. Already one of the most economical of the military services, we achieved our DOD efficiency goal. We captured overhead efficiency savings by focusing on three main efforts: Buying smarter through acquiring platforms more intelligently; streamlining our operations; and being more efficient in the way we use, produce, and acquire energy.

This effort has had a marked impact on our overall budget, allowing us to invest more in our core warfighting missions and enhancing our acquisition plans. The efficiency initiative drove adjustments to our programs and ensured restoration of funding in areas where needed most. Additionally, we used funds realized from efficiencies to support programs originally not funded. We re-invested savings into critical war fighting programs to enhance readiness. We anticipate unit equipment readiness to increase by fiscal year 2014 through the purchase of additional equipment beginning in fiscal year 2012. This readiness increase will allow the Marine Corps to equip, train, and prepare units earlier in the pre-deployment cycle. Other expansions that we were able to address include enhancing funding for facilities with direct operational impact, energy and water investments at bases and installations, command and control and logistics programs, and equipment modernization.

In addition to our frugality and aggressive pursuit of finding efficiencies to enhance our warfighting capacity inherent in our budget request, your Marine Corps remains the first and only military service whose financial statements have been deemed audit ready. We are continually striving to be good stewards of the public trust and know the ongoing financial audit will serve to both strengthen our financial management practices and give us actionable business intelligence to support our decisionmaking process in supporting our operational forces at home, abroad and in harm’s way.

⁴ This sum includes both “Blue in Support of Green” funding, Overseas Contingency Operation funding, and other Navy funding for USMC needs (e.g. chaplains, medical personnel, amphibious ships, etc)

⁵ Based on provisions of the fiscal year 2010 National Defense Authorization and Appropriation Acts.

PRIORITY #1: CONTINUE TO PROVIDE THE BEST TRAINED AND EQUIPPED UNITS TO
AFGHANISTAN

Operation Enduring Freedom.—We have made great progress in Afghanistan; this effort remains our number one priority until we attain our National objectives. At present over 20,000 Marines are deployed in Afghanistan. This mission ultimately involves almost 60,000 Marines, or just under one-third of our active duty force, factoring in deployment, redeployment, training cycles and other direct support. We will continue providing forces in Afghanistan capable of full-spectrum combat and counterinsurgency operations, while balancing our capabilities to perform what the Nation will likely ask of us in the future. We will ensure that Marines, Sailors, and the units in which they serve, receive the best possible training and equipment to succeed in the many types of missions we are conducting in this complex, dynamic environment.

Our successes within Helmand Province are paving the way for economic development and governance. Marine commanders on the ground and Afghan officials indicate that freedom of movement for the local populace has improved. Bazaars and markets are flourishing; critical infrastructure projects are underway. Today, 10 of 13 districts in Helmand Province are under the control of the Afghan central government. Daily, 135,000 children attend school, which is more than a 60 percent increase from 2008 levels. Formerly dangerous places like Marjah, Now Zad, and Garmsir, un-trafficable due to improvised explosive devices just 1 year ago, now have significant activity occurring in commercial centers. Yet, other challenges remain as we now seek to capitalize on our 2010 successes. We are currently expanding battle-space northward into other hostile locations such as the district of Sangin, where our forces are going “head-to-head” with Taliban resistance.

As America’s Expeditionary Force in Readiness, we are ready to execute any mission assigned in support of crisis and contingency response. In addition to our Afghanistan commitment, we continue to source forward-based and deployed forces to meet Geographic Combatant Commander requirements. In light of our operational demands, and through the support of Congress in authorizing our end strength of 202,100 active duty forces, our combat units are beginning to realize an approximate 1:2 dwell time.⁶ Other units vary at more favorable dwell time levels depending on their mission. We anticipate the 1:2 dwell ratio for combat units to remain relatively stable provided current deployed force levels are not increased; however, increased operational demands in Afghanistan or elsewhere may result in dwell times inconsistent with fostering a resilient Total Force.

Some Marines in select military occupational specialties continue to fall into what is known as a high-demand, low-density status. This is a key indicator that the combat demand for Marines with these skills does not match, or exceeds, the current manpower requirement and/or inventory. In addition, there are currently 14 of 211 occupational specialties where the on-hand number of Marines is less than 90 percent of what is required.⁷ Our recently completed force structure review addressed all these concerns. We are working actively to recruit, promote, and retain the right number of Marines in the right occupational specialties thus promoting resiliency of our Total Force.

Training for Full Spectrum Counter-Insurgency Operations.—Our comprehensive training program conducted at our premiere desert training base in Twentynine Palms, California, has been credited by leaders throughout the Corps with providing a dynamic environment that replicates the many tasks, challenges, and requirements required of units in a counterinsurgency setting. Our newly instituted Infantry Immersion Trainers are realistic, reconfigurable, and provide comprehensive training environments that develop small unit tactics and individual skills for deploying infantry squads. The Infantry Immersion Trainer supports essential training such as control of supporting arms, language, improvised explosive device recognition and defeat measures, human terrain understanding and close quarters battle. Introducing battlefield effects simulators, culturally appropriate role players, and interactive avatars at the Infantry Immersion Trainers teaches Marines to make legally, morally, ethically, and tactically sound decisions under situations of great stress. It also contributes to reducing the effects of combat stress. I view this training program to be of vital importance to our Operating Forces.

⁶Infantry battalions will continue to remain just below 1:2 dwell time due to relief in place/transfer of authority requirements.

⁷Our most stressed occupational specialties based on percentage of Marines beyond a 1:2 dwell are (1) Geographic Intelligence Specialist, (2) Imaging Analyst/Specialists, (3) Signals Collection Operator/Analyst, (4) Unmanned Aerial Systems Operator/Mechanic, and (5) European, Middle East, and Asia-Pacific Cryptologic Linguists.

Equipping for the Afghan Effort.—Marine units are operating in Afghanistan with high rates of ground equipment readiness. Through the generosity of Congress, we have received funds for the rapid fielding of urgent need items in support of our Afghanistan effort. The Mine Resistant Armor Vehicle Program continues to meet urgent requirements while we actively pursue vehicle upgrades to outpace emerging threats, enhance mobility, and improve vehicle performance. We can accomplish this goal through engineering changes and capability insertions in current production, planned orders, and fielded vehicles. We have a requirement for 3,362 vehicles in the family of Mine Resistant Armor Protected vehicles, including 1,454 Mine Resistant Armor Protected All Terrain Vehicles. To date, we have fielded 1,214 Mine Resistant Armor Protected All Terrain Vehicles to our units in Afghanistan and have met the theater requirement.

To date, we have fielded 34 Assault Breacher Vehicles, 5 of which are in Afghanistan, to enhance the mobility of the Marine Air Ground Task Force (MAGTF). We plan to field a total of 52 Assault Breacher Vehicles. Production of the remaining 18 vehicles remains on schedule and is fully funded with final delivery scheduled for the second quarter of fiscal year 2012.

In our continuing efforts to find improvised explosive devices by all possible means, we are tripling our successful Improvised Explosive Device Dog Detection program and are also undertaking a research and development effort to train dogs with improved detection capabilities with fielding expected this fall. This year, we will have fielded 647 specially trained Labrador Retrievers who work off-leash, supporting our infantry units in ground combat operations. We also have fielded a wide array of intelligence collection sensors and analytic and processing systems to include the Multimedia Archival Analysis System, the Ground Based Observational Surveillance System, the Tactical Remote Sensor System, the Communication Emitter Sensing and Attacking System, and improvements to the Tactical Exploitation Group, to name a few.

Last, in December 2010, we deployed a reinforced company of 17 M1A1 Main Battle Tanks to join our efforts in Regional Command SouthWest to provide increased force protection and firepower. Today, these tanks are fully integrated with our forces operating in our most highly contested regions, and are rapidly proving their utility in this environment by enabling our Marines to increase operational tempo. They also demonstrate the commitment of Coalition Forces to the security of Southern Afghanistan.

PRIORITY #2 REBALANCE THE CORPS, POSTURE FOR THE FUTURE, AND AGGRESSIVELY EXPERIMENT WITH AND IMPLEMENT NEW CAPABILITIES AND ORGANIZATIONS

Posture for the Future and Force Structure Review.—The Marine Corps has deployed MAGTFs in support of irregular warfare missions such as our counterinsurgency effort in Afghanistan, humanitarian assistance and disaster relief efforts in Pakistan, Haiti, and the Philippines, and engagement missions such as our theater security cooperation exercises in support of every Geographic Combatant Commander.

Despite these and many other operational successes over the past decade, new challenges await us requiring the same spirit of innovation and institutional flexibility that have been the bedrock of our Corps for 235 years. The 2010 Quadrennial Defense Review highlights an expanding need over the next two decades for military forces skilled at countering irregular threats,⁸ and the 2010 National Security Strategy signals a need for increased engagement activities. Both of these thrusts necessitate Marines who are not only fighters, but also trainers, mentors, and advisors. The 2011 National Military Strategy advances the idea that “strengthening international and regional security requires that our forces be globally available, yet regionally focused.”⁹ Likewise, Geographic Combatant Commanders have continued to register their growing need for forward—postured amphibious forces capable of conducting security cooperation, regional deterrence, and crisis response.¹⁰

This past fall, we conducted a detailed force structure review to develop the optimum mix of capabilities for our role as America’s Expeditionary Force in Readiness in the post-Afghanistan security environment. The force structure review addressed

⁸“The wars we are fighting today and assessments of the future security environment together demand that the United States retain and enhance a whole-of-government capability to succeed in large-scale counterinsurgency, stability, and counterterrorism operations in environments ranging from densely populated urban areas and mega-cities, to remote mountains, deserts, jungles, and littoral regions.” 2010 Quadrennial Defense Review Report, Pg 20.

⁹2011 National Military Strategy of the United States, pg 10.

¹⁰In the past 20 years, U.S. amphibious forces have responded to crises and contingencies 114 times—a response rate double that during the Cold War.

21st century challenges confronting our Nation and its Marine Corps, aiming to build on our historic role as the Nation's crisis response force. The review sought to provide the "best value" in terms of capability, cost, and readiness relative to the operational requirements of our forward-engaged Geographic Combatant Commanders. The results of that effort provide for a strategically mobile, "middleweight" force optimized for forward-presence and rapid crisis response. We will be light enough to leverage the flexibility and capacity of amphibious ships, yet heavy enough to accomplish the mission when we get there. Sea-based forces, in particular, will be invaluable for discreet engagement activities, rapid crisis response, and sustainable power projection.

Our review also aimed for a force structure that provides capability and capacity across the range of military operations, while simultaneously providing for resiliency in our Total Force. With likely reductions in forward basing and strategic transportation, the importance of regionally focused headquarters and forces, both forward-postured and immediately deployable with a minimum of strategic lift, is paramount. We have thus built a Joint Task Force capable headquarters at several Geographic Combatant Command locations. As we aim to implement signature outcomes of the force structure review, Marines on a day-to-day basis will be forward-deployed and engaged, working closely with our joint and allied partners. When crises or contingencies arise, these same Marines will respond—locally, regionally, or globally if necessary—to accomplish whatever mission the Nation asks of us.

To best meet Geographic Combatant Commander needs and ensure optimal configuration as America's Expeditionary Force in Readiness, we require Congressional support to reset our equipment, develop new organizational structures, and begin implementing initiatives from our force structure review. These measures ultimately will improve our ability to function within the Joint Force, execute distributed operations, command and control in complex environments, and conduct persistent engagement missions. As we are entrusted with the resources and funding to posture ourselves for the future, we will continue to conduct responsible examination required of a disciplined force to ensure that we implement every refinement—from the smallest to the most sweeping—in a manner that provides the Nation with a lean force, capable of rapidly projecting the Nation's power and strategic influence.

Equipping

Reset of the Total Force.—Resetting the Marine Corps for the future after nearly a decade at war is my number one equipping priority. This past year, we completed our mission in Iraq, effecting the retrograde of more than 25,000 Marines,¹¹ 382,000 items of equipment, 10,800 short tons of aviation support equipment, and nearly 11,000 containers from Al Anbar province via Jordan and Kuwait to the United States and elsewhere. This drawdown of equipment over the course of 1 year was a significant logistical and operational achievement. We also accomplished the rapid shift of critical equipment from Iraq to Afghanistan in support of the deployment of the 2d Marine Expeditionary Brigade. This shift of materiel within a theater of operation became one of the largest redeployments in U.S. history, both in terms of equipment moved and distances involved.

The Marine Corps is currently sourcing highly trained and ready forces to meet global combatant commander requirements.

—Approximately 98 percent of deployed units report the highest levels of readiness for their assigned mission.

However, high deployed-unit readiness has come at the expense of home-station, non-deployed units, which have sourced organic equipment and personnel to meet the needs of our deployed forces.

—Approximately 68 percent of non-deployed units report degraded levels of readiness. The largest contributing factor is equipment; approximately 37 percent of non-deployed forces report degraded levels of equipment supply. This lack of equipment impacts the ability of non-deployed forces to respond rapidly to other potential contingencies and represents lost core training opportunities early in the deployment cycle in preparation for Overseas Contingency Operations.

The equipment redeployed from Iraq to Afghanistan in support of the 2009 surge included most of our deployed medium tactical fleet, the majority of our fleet of Mine Resistant Armor Protected vehicles, light armored reconnaissance vehicles, other hard-to-move equipment, and theater-specific items. While shifting this equipment directly to Afghanistan enabled the Marine Corps to meet critical operational timelines, it resulted in the deferment of previously planned post-Operation Iraqi Freedom reset actions. These same assets comprise a significant portion of the Ma-

¹¹At present, approximately 100 Marines remain in Iraq serving in individual augment, transition team and other miscellaneous billets.

rine Corps' total reset liability and depot maintenance costs. Thus, a consequence of delaying reset actions on this equipment is the acceptance of considerable risk in the long-term readiness and future availability of our ground equipment. In addition, increased usage rates of our ground equipment and harsh operating environments over these many years at war have resulted in our ground equipment far exceeding planned peacetime usage rates by a factor of six.

It is vital that we reset our equipment from nearly 10 years at war to maintain the necessary levels of readiness to posture ourselves for the future.

—We estimate the cost of reset for the Marine Corps to be \$10.6 billion. \$3.1 billion has been requested in fiscal year 2011 to reduce this liability, leaving a \$7.5 billion deficit. \$5 billion of the \$7.5 billion reset liability will be incurred upon termination of the conflict in Afghanistan. (Note: \$2.5 billion has been requested for reset in fiscal year 2012. These estimates assume no reset generation beyond fiscal year 2012 and thus do not include any reset requirements for fiscal year 2013 and fiscal year 2014.)

This funding will support the depot-level maintenance of our Operation Enduring Freedom equipment, procurement of combat vehicles and major weapons systems, engineering equipment, ammunition expenditures, and combat losses. The reset estimate is based on current circumstances and will change as operational requirements are re-evaluated. Moreover, as long as the war continues, our costs for reset will grow accordingly.

Reconstitution of Equipment.—Our experiences in combat operations over the past decade have shown us that our legacy 20th century tables of equipment are inadequate with regard to the demands of the modern battlefield. As we move toward finalizing our force structure review by conducting a thorough Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel, and Facilities assessment, we will finalize determination on the costs associated with modernization of equipment sets necessary to support our future operations.

—However, at this time, our initial estimate of reconstituting our tables of equipment is \$5 billion, which is an amount entirely separate from our reset costs.

We have begun to address our reconstitution shortfall by requesting \$253 million in fiscal year 2012 for equipment procurement.

As our force structure review is implemented, we will continue with deliberate assessments of the modernization requirements for equipment that optimizes our post-Afghanistan posture while simultaneously reinforcing our frugal and responsible roots. Our Service Reconstitution Equipment Strategy will guide the identification of emerging requirements for refining the capabilities of our status as a middle-weight force, our support to the Geographic Combatant Commanders, our service level prioritization, and resource allocation.

Marine Aviation.—We are transitioning our entire inventory of fixed and rotary wing aircraft to support our future force and require ongoing support from Congress for this comprehensive aviation modernization effort. The continued development and fielding of the short take-off and vertical landing (STOVL) F-35B Joint Strike Fighter remains the centerpiece of this effort. The capability inherent in a STOVL jet facilitates our maneuver warfare doctrine and fills our need for close air support in the many austere conditions and locations where we will likely operate in the future. Around the world, there are 10 times as many 3,000-foot runways capable of handling a STOVL jet as there are 8,000-foot runways required of conventional fighter aircraft. Additionally, we maintain the organic ability to build an expeditionary 3,000-foot runway in a matter of days in support of aviation operations. The capabilities of the STOVL F-35B enable the Marine Corps to replace three legacy aircraft types—F/A-18, EA-6B, and AV-8B—which once fielded will save the Department of Defense approximately \$1 billion per year in operations and maintenance costs. The F-35B program has made significant progress to date including 22 successful vertical landings so far this year which is more than double that achieved all last year. I am confident that we will field this aircraft in accordance with responsible timelines. This matter has my unwavering attention, and I am personally overseeing this program. With a fully fielded fleet of F-35Bs, the Nation will maintain 22 capital ships—11 carrier and 11 amphibious assault—with fifth generation strike assets aboard—a significant deterrent and response capability for our Nation.

Our legacy aircraft supporting operational missions are consuming service life at a rate up to three times faster than scheduled. Averaged across our complete fleet, we are consuming aircraft service life at a rate 1.85 times faster than planned. This reality results in compressed timelines between re-work events and in earlier retirement of aircraft than originally programmed. The majority of our legacy platforms are nearing the end of their service lives, and most production lines are closed. New aircraft with low average ages and robust service life projections are the future of our aviation force and its support of Marine Corps and joint operations. As we tran-

sition to these new capabilities, we are mindful of the need to ensure a fully integrated and networked force to provide Marine aviation to the MAGTF and the Joint Force.

We are exploring the viability of transformational platforms such as the Cargo Unmanned Aircraft System. The Cargo UAS will facilitate the delivery of logistics to remote locations when weather or threat systems preclude manned aviation sorties or overland resupply convoys.

Our new aircraft will provide increased range, speed, standoff, time on station, lift capability, and will be critical to tomorrow's MAGTF. By 2020, we will transition more than 50 percent of our aviation squadrons to new aircraft and complete fielding of the tilt-rotor MV-22 Osprey assault support aircraft and the upgraded UH-1Y Huey utility helicopter. We will field new close air support platforms such as the AH-1Z attack helicopter and the STOVL F-35B. We also will have new platforms for intelligence, surveillance and reconnaissance and an entirely new family of Unmanned Aircraft Systems. Last, we will introduce greater lifting power to the MAGTF with a new model of the heavy-lift CH-53 cargo helicopter.

Ground Combat and Tactical Vehicle Strategy.—The priority for our Ground Combat Element is our ship to shore tactical mobility. The seamless transition of our Operating Forces from the sea to conduct sustained operations ashore, in particular to support three balanced Marine Expeditionary Brigades (i.e. two sea-based Joint Forcible Entry Marine Expeditionary Brigades reinforced by a third Maritime Prepositioning Force-based Marine Expeditionary Brigade) as well as for conducting irregular warfare missions, necessitates an appropriate mix of ground combat vehicles. We are focusing our efforts on developing and fielding a family of vehicles with a balance of performance, protection, payload, transportability, fuel efficiency, and affordability that supports the rapid concentration and dispersion of combat power, supports strategic deployment concepts and meets our world-wide operational commitments.

Our Ground Combat and Tactical Vehicle Strategy is currently in its third phase of development. Its overall goal is to field a ground combat vehicle portfolio structured to support the ground combat element. Vehicles in this portfolio include the Joint Light Tactical Vehicle, the Marine Personnel Carrier, and a new amphibious combat vehicle.

In the complex future security environment, the execution of amphibious operations requires the use of the sea as maneuver space. An amphibious combat vehicle is essential to our ability to conduct surface littoral maneuver and seamlessly project ready-to-fight Marine units from sea to land in permissive, uncertain, and hostile environments. As the Secretary of Defense affirmed earlier this year, the cancellation of the Expeditionary Fighting Vehicle is by no means a rejection of the Marine Corps amphibious assault mission.

The standing, validated requirement for, and development of, an amphibious combat vehicle will ensure we continue to develop the right platform—at the right price—to support rapid ship to shore movement. To that end, we are now pursuing an integrated new vehicle program with three components, crafted from inception for affordability and leveraging the investment made in the EFV. We intend to mitigate risks associated with a new vehicle program and to maximize value by use of an integrated acquisition portfolio approach. This approach will have three synchronized efforts: Acceleration of the procurement of Marine Personnel Carriers; investment in a service life extension program and upgrades for a portion of the existing amphibious assault vehicles; and development of a new amphibious combat vehicle.

We intend to manage these complementary capabilities, requirements and acquisitions from a portfolio perspective.

Navy Support

The Navy Marine Corps Team.—As part of the Joint Force, the Marine Corps and the Navy partner to leverage the significant advantages provided by amphibious forces—a point reinforced by joint doctrine.¹² The Navy and Marine Corps team will be postured and engaged forward to be most operationally relevant to the needs of our Nation. Together, we provide the capability for massing potent forces close to a foreign shore while maintain a diplomatically sensitive profile. And, when needed, we are able to project this power ashore across the range of military operations at

¹²“Timely response to crisis situations is critical to U.S. deterrent and warfighting capabilities. The timeliness of U.S. response is a function of U.S. forward deployed forces and prepositioned forces with adequate organic movement capability . . .” Joint Publication 3-35, Joint Deployment and Redeployment Operations, 7 May 2007, pg 1-8.

a time of our Nation's choosing, collectively demonstrating the essence of naval deterrence.

Amphibious Shipping.—The Marine Corps' requirement to deploy globally, rapidly respond regionally, and train locally necessitates a combination of tactical airlift, high-speed vessels, amphibious ships, maritime preposition shipping, organic tactical aviation, and strategic airlift. The inherent flexibility and utility of amphibious ships is not widely understood, as evidenced by the frequent—and erroneous—assumption that “forcible entry capabilities” alone define the requirement for amphibious ships. The same capabilities that allow an amphibious task force to deliver and support a landing force on a hostile shore enables it to support forward engagement and crisis response. In fact the most frequent employment of amphibious forces is for steady state engagement and crisis response. The Geographic Combatant Commanders have increased demand for forward-postured amphibious forces capable of conducting security cooperation, regional deterrence, and crisis response reflecting the operational value of amphibious forces for missions across the range of military operations.¹³ In an era of declining access and strategic uncertainty, I anticipate that this upward demand trend will continue.

Our principal contribution to U.S. Global Defense Posture is our “rotationally responsive” forces aboard amphibious ships. These forces combine the advantages of an immediate, yet temporary, presence, graduated visibility, and tailored, scalable force packages structured around the MAGTF. Rotational Amphibious Ready Groups/Marine Expeditionary Units forward deployed in three Geographic Combatant Command areas of responsibility, not only provide the capability for crisis response, but also present a means for day-to-day engagement with partner nations. Rotational forces also offer additional flexibility for decisionmakers in the event that forces are required to rapidly re-deploy across divergent regions and conflicts.

In January 2009, the Navy and Marine Corps agreed that the force structure requirement to support a 2.0 Marine Expeditionary Brigade lift is 38 total amphibious assault ships. In light of the fiscal constraints, the Department of the Navy agreed to sustain a minimum of 33 total amphibious ships in the assault echelon. This number gives a capability needed for steady state operations and represents the minimum number of ships needed to provide the Nation with a sea based power projection capability for full spectrum amphibious operations—including the amphibious assault echelon of two Marine Expeditionary Brigades.

The Marine Corps is committed to the spiral development of the America Class LHA (R), which is 27 percent complete. We expect the Navy to take delivery of LHA-6 in fiscal year 2014 with availability to deploy beginning in fiscal year 2017. In terms of LHA-7, we anticipate the contract award in late fiscal year 2011 with fabrication commencing the following year. These two ships are maximized for aviation, and I believe it is essential that a well-deck be reintroduced in LHA-8 as currently planned. The ongoing procurement and commissioning of the final 2 of our planned 11 San Antonio class LPD-17 “Common Hull Forms” is critical to providing the lift capacities and operational capabilities to support the full range of military operations up to and including forcible entry.

Maritime Prepositioning Assets.—The Maritime Prepositioning Force (MPF) program exists to enable the rapid deployment and engagement of a Marine Air Ground Task Force anywhere in the world in support of our National Military Strategy. The current MPF force, which has been employed 55 times since 1985, is composed of a fleet of 16 ships divided into three Maritime Pre-Positioning Ships Squadrons located in the Mediterranean Sea, Indian Ocean (Diego Garcia), and Pacific Ocean (Guam and Saipan). With the restructure of the Maritime Prepositioning Force-Future, the Marine Corps and Navy have focused on an interim solution to enhance current MPF with three new ships to enable future sea-basing concepts. The addition of three Mobile Landing Platforms (MLP) and three T-AKE auxiliary dry cargo ships to the Maritime Prepositioning Ship Squadrons, coupled with existing Large, Medium-Speed, Roll-On, Roll-Off (LMSR) cargo ships, will enable the MPS squadrons to conduct at-sea, sea-state three, selective offload of vehicles, personnel, and equipment without complete reliance on fixed ports ashore. The introduction of MLPs, T-AKEs, and LMSRs provide the Navy and Marine Corps team a substantial step in enhancing our current sea-basing capabilities.

The Department of the Navy is currently funding the full MPF program of 16 ships through fiscal year 2012; however, the DON POM-13 places one Maritime Prepositioning Squadron (six ships) in a Reduced Operational Status beginning in fiscal year 2013. We will continue to optimize the MPF program to remain responsive and relevant to Geographic Combatant Commander requirements.

¹³Since 9/11 U.S. amphibious forces have responded to crises and contingencies at least 50 times, a response rate more than double that of the Cold War.

Naval Surface Fire Support.—The Marine Corps has an enduring requirement for fire support from naval vessels in the range of 41–63 nautical miles to support amphibious operations in the littorals. These fires are needed by tactical commanders to maneuver toward battlefield objectives once ashore, contributing to joint doctrine for assured access. They serve as a component of the balanced and complementary joint triad of fires. Yet, unlike tactical aviation and ground fire systems, naval surface fires are unique and vital for their volume, lethality, accuracy and all-weather capability.

Planned reductions in the procurement of certain naval ships along with cancellation of specific weapons programs over the past few years have led to a deficiency in systems available for naval surface fires. Completed in 2009, the Joint Expeditionary Fires Analysis of Alternatives identified the optimum U.S. Navy programs to support Marine Corps naval surface fire support requirements. This study established the baseline capabilities of the current naval surface fire support program of record (13nm projectile of the 5-inch gun and the Advance Gun System of the DDG 1000) to be insufficient in mitigating fire support gaps. The study determined that extended range 5-inch munitions would serve as a complementary alternative to the three DDG 1000s. Dramatic improvements in 5-inch projectiles can extend the naval surface fire support maximum range, across the 106 guns in the surface fleet, from 13 to 52 nautical miles with precision, high angle attack for use in operations in urban terrain, and potential effectiveness against moving targets. We also support ongoing research and development of transformational technologies like the Electro-Magnetic Rail Gun with its potential to revolutionize the reach, coverage, and responsiveness of ship-based naval gunfire to ranges in excess of 200 nautical miles.

Assured Access.—We remain vigilant of burgeoning anti-access/area denial threats proliferating around the globe, particularly in the Pacific Rim. The family of guided rockets, artillery, mortars, missiles and subsurface systems like mines and quiet submarines, pose a challenge to the power projection capability of seaborne expeditionary forces and threatens DOD's ability to prevent and deter conflicts and prepare for a wide range of contingencies.

Marine Air Ground Task Forces ashore and aboard amphibious shipping will support operations to ensure the freedom of action of U.S. and Allied forces by establishing expeditionary bases and airfields or defending advance bases. Marine Short Take-off and Vertical Landing aviation assets will be of particular value in overcoming adversary anti-access and area denial capabilities since they can operate from short or degraded airfields, can be rapidly dispersed, and can utilize both large carriers and amphibious ships for attack, maintenance, force protection, and dispersal purposes. The Joint Force Commander can leverage these unique capabilities to ensure the sea control necessary for the conduct of subsequent joint operations, whether they be power projection, forcible entry, or freedom of navigation.

In this regard, we are partnered with the joint community to develop an overarching concept to attain operational access. This year, we will employ our war-gaming capability in Expeditionary Warrior 2011 to examine operations designed to overcome anti-access challenges. We are partners with the U.S. Navy and the U.S. Air Force in the development of the Air-Sea Battle Concept aimed at integrating capabilities to defeat these advanced weapon systems in maritime areas of strategic interest. We also continue to participate in the U.S. Army's Joint Forcible Entry Warfighting Experiment, examining capabilities to conduct airborne and amphibious forcible entry operations.

Personnel and Organizational Initiatives

People.—Today's Marine Corps represents less than one-tenth of 1 percent of the U.S. population, and the individual Marine remains our most valuable asset. Our 202,100 Active Duty and 39,600 Selected Reserve end strength allow us to meet current operational commitments while promoting resiliency throughout our Total Force. In fiscal year 2010 Marine Corps Recruiting Command accessed 1,703 officers (100.18 percent of the 1,700 officer goal). Our fiscal year 2011 accession mission is 1,650 active duty officer accessions with the same goal projected in fiscal year 2012. In terms of enlisted accessions, we are exceeding our internal quality standards of 95 percent enlisted recruits entering the Marine Corps possessing a high school diploma and 63 percent qualifying in the DOD I–IIIA mental group categories (DOD quality standards are 90 percent and 60 percent respectively). We will achieve our mission of 31,500 enlisted active component non-prior service recruits in fiscal year 2011. Enlistment Bonuses remain vital to meeting the continuing requirement for high demand skills. We are continuing to experience unprecedented retention in both first-term and career Marines.

We will continue to shape our Total Force to provide the ideal grade and military occupational specialty mix needed for sustainment. Our force structure review devel-

oped ways to increase unit readiness within our operating forces to ensure 99 percent manning of enlisted billets and 95 percent manning of officer billets. At the close of the Future Years Defense Program, we will work with the Secretary of Defense on a responsible drawdown of our end strength that is aligned with the future mission demands of a post-Operation Enduring Freedom security environment. I am determined to “keep faith” with our Marines and their families by designing and executing a responsible drawdown from our current 202,100 end strength such that we avoid reduction-in-force actions and early retirement boards.

The Marine Corps is committed to making concerted efforts to attract, mentor, and retain the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. Our diversity effort is structured with the understanding that the objective of diversity is not merely to achieve representational parity, but to raise total capability through leveraging the strengths and talents of each and every Marine. The success of our pioneering Female Engagement Team program in Afghanistan, which is an offshoot of a similar effort we employed in Iraq, is one way that the Marine Corps utilizes diversity within our ranks for operational benefit.

We are currently developing a comprehensive, Service-wide strategy on diversity, an effort facilitated through our standing Diversity Review Board and a Diversity Executive Steering Committee chartered to establish the foundations for diversity success in the Total Force. The Marine Corps has established minority officer recruiting and mentoring as the highest priority in our recruiting efforts. Along with the other Services, we have provided timely input to the congressionally sanctioned Military Leadership Diversity Commission and look forward to release of the Commission’s final report scheduled for March 2011.

Marine Air Ground Task Force Enhancements.—To further posture ourselves for the future, we are evaluating the internal workings of our MAGTFs to account for the distributed operations, decentralized command and control, dispersed forces and diffuse threats inherent on the modern battlefield. We are implementing a diverse suite of command and control systems within all elements of the MAGTF. We continue to work to build the capacity of new organizations like the Marine Corps Information Operations Center to achieve non-lethal effects in today’s irregular and complex environments. We are ensuring the rapid analysis, fusion, and dissemination of intelligence down to the tactical level by continuing implementation of the Marine Corps Intelligence, Surveillance, and Reconnaissance Enterprise. We also aim to reorganize our intelligence collection and exploitation capabilities, increasing the ratio of resources to users. We will also capitalize on the capabilities of unmanned aircraft systems via an increase in capacity.

We are developing regionally focused Marine Expeditionary Brigade command elements that are joint task force capable, with habitually aligned subordinate elements, to improve Geographic Combatant Commander effectiveness and speed of response. We have recently stood up one such element in Bahrain in support of U.S. Central Command. To better standardize operations and training for units and staff in our ground combat element, we established the Marine Corps Tactics and Operations Group, which reached full operational capability in May 2010. Among other measures, this organization’s mission is to support the refinement of our doctrine, including how our infantry companies will fight in the future. Building on the successes of the Marine Corps Tactics and Operations Group for the ground combat element, we are also developing and establishing a Marine Corps Logistics Operations Group capability for the Logistics Combat Element along with reorganizing Marine Logistics Groups to establish standing Combat Logistics Battalions habitually aligned to specific Marine Expeditionary Units and infantry regiments.

Over the past decade, we have become more reliant on equipment sets resulting from the emergence of new threats, perhaps most notably the improvised explosive device. This trend has resulted in the acquisition of some resources that are incompatible with the ethos of an agile, expeditionary force. To that end, we have begun an effort known as “Lightening the MAGTF,” a measure aimed at reducing the size, weight, and energy expenditure of our forces from the individual rifleman to wholesale components of the MAGTF.

Sustained combat operations and worldwide theater security cooperation and training commitments over the last decade point toward an essential requirement for the Marine Corps Reserve to continue focusing at the operational, rather than strategic level of warfare. Since 9/11, our Marine Corps Reserve has engaged continuously in combat operations as well as in regional security cooperation and crisis prevention activities in support of the Geographical Combatant Commanders. This operational tempo has built a momentum among our war fighters and a depth of experience throughout the ranks that is unprecedented in generations of Marine

Corps Reservists. In fact, today's Marine Corps Reserve is more highly trained, capable, and battle-tested than at any time since the Korean War.

The transition in utilization of the Marine Corps Reserve from a strategic to operational Reserve, as affirmed by our force structure review, expands our ability to perform as America's Expeditionary Force in Readiness. Sharing the culture of deployment and expeditionary mindset that has dominated Marine Corps culture, ethos and thinking since our beginning more than two centuries ago, the Marine Corps Reserve is optimally organized, equipped, and trained to perform as an operational Reserve.

Institutions for Irregular Warfare.—Irregular operations (e.g. Counterinsurgency, Stability Operations, Foreign Internal Defense, Unconventional Warfare and Counterterrorism) often occur in response to crisis and are executed in austere conditions—situations often entailing employment of Marines. Our experiences countering irregular threats in “Small Wars” is a result of responding to complex crises involving a mix of security, economic, political, and social issues—usually under austere physical conditions. Our approach to irregular warfare is based on the understanding that people, ideas and organizations—not platforms and advanced technology—are the keys to success in operating in complex and irregular warfare environments. Naval forces conducting theater security operations and security force assistance to build partnership capacity also provide the Nation the potential for immediate crisis response capability and options for escalation or de-escalation. Building on our lessons learned in Iraq and Afghanistan, we are developing options to re-organize, consolidate, and strengthen our institutions that emphasize our irregular warfare and multi-mission capability such as the Center for Advanced Operational Culture and Learning, the Security Cooperation Training and Education Center, and the Center for Irregular Warfare. The objective is to gain unity of effort, increase effectiveness and efficiency, and reduce redundant capacity.

We established the Marine Corps Training and Advisory Group (MCTAG) within the past 5 years to train, equip, and deploy Marines for Security Force Assistance missions in support of Geographic Combatant Commander theater security cooperation plans. The MCTAG provides conventional training and advisor support to Host Nation Security Forces. This organization also offers planning assistance to Marine regional component commands in developing and executing partner nation training programs. The MCTAG is scheduled to reach full operating capability in September 2011 and to date has directly trained more than 180 Marines and Sailors and assisted in the training of more than 600 Marines and Sailors, who themselves have conducted in excess of 150 deployments to more than 50 countries worldwide. The MCTAG has also developed programs of instruction to train joint service advisors/trainers deploying on theater security cooperation missions as well as programs of instruction to train light infantry battalions from the Republic of Georgia in executing combat operations in Afghanistan.

Because the Marine Corps functions in an integrated fashion throughout all traditional domains—land, sea, air, and space—it is a logical step forward for us to be optimally organized, trained and equipped to operate synergistically on the modern battlefield, which now includes the cyber domain. As U.S. Cyber Command matures and sponsors initiatives to increase cyber operational capacity, we are taking deliberate steps to build additional Marine Corps cyber capability and capacity to meet joint and service-level demands.

We see the continued development of organic cyber capabilities, capacities, and awareness as a critical element to retain speed, precision, and lethality across the entire spectrum of operations. We are working to incorporate scenarios into our exercises to increase opportunities for Marines to leverage cyber capabilities while also training Marines to operate where cyber-enabled warfighting capability may be degraded and/or contested. Additionally, we are integrating tailored cyber education into our officer and enlisted professional education programs. We are continuing to examine our options for recruiting, training and retaining our cyber workforce. This is especially challenging given the highly specialized skill sets and the competition for such in both the Federal and Private sectors.

Formed in 2006, Marine Special Operations Command (MARSOC) is currently conducting an internal reorganization into three mirrored battalions. Upon completion of this reorganization in fiscal year 2014, Marine Special Operations Command will have one regiment consisting of three battalions, 12 companies, and 48 Marine Special Operations Teams. Since December 2009, MARSOC has maintained an enduring battalion-level Special Operations Task Force headquarters and two companies in Afghanistan along with persistent Marine Special Operations Team engagements in other high priority regions.

Since its inception, the Marine Corps has resourced Marine Special Operations Command with significant investments in military construction for training facili-

ties, barracks and headquarters. In the near term, MARSOC will have 2,678 personnel. Our force structure review recently evaluated ways to increase the number of combat support and combat service support Marines (e.g. logisticians, intelligence personnel, etc.) enabling MARSOC's operations. I intend to add 1,001 Marines to MARSOC, which will increase its capacity by 44 percent. These Marines, who are above and beyond the planned fiscal year 2014 personnel increase, will better enable it for effective special operations.

The Marine Corps serves as the Department of Defense Non-Lethal Weapons Executive Agent responsible for developing program recommendations and stimulating non-lethal weapons requirements. Non-lethal effects are part of the Department of Defense portfolio of capabilities that enhance the Joint Force Commander's ability to act in a timely manner to detect, deter, prevent, defeat, or, if necessary, mitigate the effects of an attack. Non-lethal capabilities provide the Joint Force the ability to selectively target hostile threats, covered or concealed by civilian assets, while avoiding collateral damage. Geographic Combatant Commands are registering increased demand for non-lethal weapons options to include items such as arresting nets, dazzler lasers, acoustic hailing devices, electric stun guns, blunt impact munitions, and non-lethal warning munitions. The Joint Non-Lethal Weapons Program continues to support joint and combined non-lethal weapons research, development, training and exercises in support of all Geographic Combatant Commands.

Expeditionary Energy.—The Marine Corps is leading the development of expeditionary energy solutions for DOD and the Department of the Navy—reducing energy demand in our platforms and systems, increasing the use of renewable energy, and instilling an ethos of energy and water efficiency in every Marine. Our priority is force protection—saving lives by reducing the number of Marines at risk on the road hauling fuel and water. We also aim to help Marines travel lighter and move faster through the reduction in size and amount of equipment and the dependence on bulk supplies.

In February 2011, we issued a “Bases to Battlefield” Expeditionary Energy Strategy Implementation Planning Guidance, which sets goals, performance metrics, and a plan for implementation by 2025. This strategy supports congressional and Department of the Navy goals to increase energy security through the use of alternative fuels and energy efficiency. Since 2009 we have aggressively pursued renewable energy and energy efficient capabilities that will make Marine units more energy self-sufficient, and ultimately increase our combat effectiveness.

Within 1 year, we stood up an Experimental Forward Operating Base, sourced commercial and government technologies, trained an infantry company with renewable energy technology, and deployed them to Afghanistan in the winter of 2010 where they operated two patrol bases entirely on renewable energy. As a result, our forces required less fuel and batteries, reducing risk to Marines and saving money. This year, the Experimental Forward Operating Base will focus on the requirements of a major battlefield energy user—the Command Operations Center and the Command Element—and will evaluate a second round of energy technologies to support expeditionary operations.

In fiscal year 2012 we are devoting more resources—in current programs and new areas—to build a foundation to achieve our goals for increased energy efficiency and renewable energy by 2025. As a starting point, we anticipate savings of petroleum over the Future Years Defense Program in our Overseas Contingency Operations of 100,000 to 150,000 barrels. For example this year, we are procuring mobile electric power sources to achieve 17 percent fuel efficiency using U.S. Army funded development and Marine Corps funded procurement monies. We are also fielding Enhanced Efficiency Environmental Control Units to achieve 15–30 percent power efficiency improvements.

Installation Energy.—We are also devoting more resources to our Energy Investment Program than ever before. These funds will be used to implement the results of recent and ongoing energy audits at our installations; install more efficient systems and reduce overall energy consumption. Additionally, new facilities will continue to incorporate the latest energy sustainability and efficiency features. This effort aboard our installations complements our Corps-wide initiative to develop an energy ethos and culture of conservation.

Training

Training MAGTFs.—We are utilizing our Marine Corps Service Campaign Plan as a roadmap to strengthen and maintain our core competencies and to ensure we remain America's Expeditionary Force in Readiness well into the future. This effort also will also help synchronize our Service level security cooperation activities in support of national strategy and guide the type of training and exercises we must conduct, in particular at the Marine Expeditionary Brigade level.

Our amphibious core competency figures prominently in our Service Campaign Plan, and as a result we have undertaken an array of exercise planning in this critical skill area. We will soon be conducting a MAGTF Large Scale Exercise that will refine our capability to conduct amphibious power projection and sustained operations ashore in a joint and inter-agency environment. In late-2010 we conducted Exercise Bold Alligator 2011, the first large-scale amphibious training exercise with the Navy on the east coast in almost 10 years. This synthetic training event practiced planning for forcible entry operations against conventional and asymmetric threats and a large scale non-combatant evacuation operation. We will take lessons learned from this exercise and build upon them for the next iteration of this important exercise with the U.S. Navy scheduled in the coming year.

We are reviewing the core functions of our organizations and, where appropriate, adding irregular warfare capabilities to reflect the full spectrum of possible employment options as a core task set for the Marine Expeditionary Brigade. We view integration with other government agencies and coordination with non-government organizations as essential to our success in irregular warfare and have significantly increased interagency participation in numerous exercises and training venues such as Expeditionary Warrior-09/10, Emerald Express, Joint Urban Warrior-09, and Joint Irregular Warrior-10. We aim to capitalize on our current theater security cooperation and partnership capacity building activities with our allies and partners in all operational environments providing our National leaders with strategic options to shape outcomes, prevent and deter conflicts, strengthen “at risk” states, and deny enemy safe-havens.

PRIORITY #3 BETTER EDUCATE AND TRAIN OUR MARINES TO SUCCEED IN DISTRIBUTED OPERATIONS AND INCREASINGLY COMPLEX ENVIRONMENTS

Professional Military Education and Small Unit Leader Development.—We are planning more investments in the education of our non-commissioned officers and junior officers, as they have assumed vastly greater responsibilities in both combat and garrison. This focus on education will better train them for decisionmaking during distributed operations against more diffused threats over broader areas of the battlefield. The primary initiative to address this priority is to increase markedly their opportunities to attend resident professional military education. We are currently evaluating ways to increase throughput at resident professional military education courses with options for both constrained and unconstrained manpower and resource increases. We are evaluating traditional paradigms relative to course lengths and instructional methodology, with the specific objectives of tripling throughput at the Expeditionary Warfare School (Career level) and doubling resident Command and Staff College (Intermediate Level) throughput.

These key leaders also impact unit cohesion and our overall effectiveness in combat. Introducing these leaders into a unit at the right time and stabilizing them in a life cycle continuum of a unit positively impacts a unit’s effective training, performance and resiliency during pre-deployment training and post combat. These leaders are in the best position to influence our cultural ethos with its emphasis on intangible qualities such as esprit de corps, integrity, and “service to country during time of war.” We are currently reviewing manpower policies and models and will ensure these key leaders are present and able to lead a cohesive unit throughout its life-cycle continuum, including rigorous pre-deployment training and post deployment actions. This effort will ready our units for any fight, whether irregular or combat.

We also intend to infuse Values Based Training, rooted in our core values of Honor, Courage and Commitment, at all levels of professional development to foster resilience and to enable effective operations, especially in complex irregular environments. Our overall goal is to institutionalize efforts to develop more mature, educated, and capable non-commissioned officers and maneuver unit squad leaders. As these concepts mature, there will be costs in terms of military instruction and facilities for which we will require congressional support.

Regionalization and Specialization.—The increased call for engagement, as seen in our force structure review and in strategic guidance, requires Marines with improved cultural and language skills and formal education. To develop better specialization for anticipated future missions and operating environments, we will expand our Foreign Area Officer and Regional Affairs Officer programs, as well as opportunities to send more officers through graduate level training, fellowships and research opportunities—ideas supported by findings and recommendations of the 2010 Quadrennial Defense Review and the 2010 Quadrennial Defense Review Inde-

pendent Panel Report.¹⁴ This effort will extend to our “Whole of Government” approach toward irregular warfare as we seek greater exchanges and fellowships with the elements of the Interagency.

Marine Corps University.—We are continuing to implement recommendations of our 2006 Officer Professional Military Education Study (the Wilhelm Report) and are making significant strides in terms of resources and facilities enhancing the campus of the Marine Corps University (MCU). We have programmed approximately \$125 million in Military Construction between fiscal year 2011–12 for new academic facilities for the Marine Corps War College, Command and Staff College, and the School of Advanced Warfighting. In addition, we will expand the Staff Non-commissioned Officer Academy at the main campus in Quantico. These funds represent only a down payment on a larger commitment to double the size of the University campus and to upgrade our enlisted academies world-wide. Completion of the MCU master plan will require the demolition and relocation of tenant units aboard the campus. Detailed documentation of costs associated is ongoing; however, we estimate over \$400 million is needed to complete the master plan. Our ultimate goal is to develop the MCU into a premier institution with world-class faculty, facilities, students, and curricula; we will require the assistance of Congress in this goal.

PRIORITY #4 KEEP FAITH WITH OUR MARINES, OUR SAILORS AND OUR FAMILIES

Keeping Faith.—We expect and demand extraordinary loyalty from our Marines—a loyalty to country, family, and Corps. Our Nation has been at war for a decade, placing unprecedented burdens on Marines, Sailors, families, Wounded Warriors, and the families of the fallen. They have all made tremendous sacrifices in the face of danger. We owe them all a reciprocal level of loyalty. Our approach to caring for their needs is based on the same unwavering faithfulness they have demonstrated to the Marine Corps. We will ensure their needs are met during times of deployment and in garrison by providing the services, facilities, and programs to develop the strength and skills to thrive on the challenges of operational tempo. When needed, we will restore them to health. We will also transition them back to civilian life, and in the cases of our fallen Marines, we will support and protect their surviving spouses and dependents. We will do this by focusing on several areas this fiscal year.

Combat Stress, Resiliency, Medical and Mental Health Care.—We continue to advocate for the highest quality medical care and facilities for our service members, retirees, and their families. To ensure the Department can continue to provide the finest healthcare benefits in the country to our beneficiaries, we fully support the medical efficiencies and adjustments in TRICARE included in the President’s budget proposal.

The evolving security environment requires a physically and mentally resilient Marine able to endure extended exposure to ambiguous, stressful, and ever-changing situations. Young leaders find themselves on the vanguard of a protracted war, adapting to a variety of situations and scenarios. To improve their resilience, we are working aggressively and creatively to build a training continuum that better prepares them for the inevitable stress of combat operations and to equip them with the necessary skills required to cope with the challenges of life as a Marine.

Instruction founded and focused on our core values helps provide some of this resiliency, especially in irregular warfare and complex environments. A program combining the “best practices” of mental, emotional and physical fitness will best instill in our Marines the resiliency needed to endure the stressors of combat and enhance their ability to perform effectively across the range of military operations. We are developing a comprehensive program to improve the resiliency of our Marines both in garrison and in combat.

We are partnered with the Navy to address the nationwide dearth of qualified mental healthcare providers, which challenges our ability to provide care at some of our bases and stations and, in some cases, to our reservists in remote locations. During calendar year 2010, we saw a nearly 30 percent decrease in the number of suicides within our Total Force.¹⁵ We are too early in our suicide studies to identify what specific initiative(s) have resulted in this dramatic turnaround. However, we have implemented a number of measures on multiple fronts. Some of these include the following:

—*Evocative Peer-led Training Program.*—“Never Leave a Marine Behind” suicide prevention program for non-commissioned officers and Junior Marines. We are

¹⁴2010 Quadrennial Defense Review Report, pg 54; 2010 QDR Independent Panel Report, pgs 75–77.

¹⁵Calendar year 2010 suicides = 37 whereas calendar year 2009 suicides = 52.

expanding this training to include staff non-commissioned officers and commissioned officers this year.

—*DSTRESS Line Pilot Program with TRICARE West.*—“By Marines-For Marines” call center designed to assist with problems at an early stage. The call center is staffed by veteran Marines, providing anonymous service to all current Marines, veteran Marines, their families and loved ones.

—*Combat and Operational Stress Control and Operational Stress Control and Readiness Teams.*—Utilizing unique training programs across the Total Force and ensuring the presence of mental health professionals in front-line units as a primary prevention tool to help Marines identify and mitigate stress.

—*Marine Resilience Study to Assess Risk and Resilience.*—We are participating in a longitudinal research study that will examine risk across three domains: biological, psychological and social. The outcome of this study will inform our future work in the area of building and maintain resiliency across the Corps.

We will continue advocating to the medical community for better diagnostic and increased treatment options for Marines with severe injuries including Post Traumatic Stress and Traumatic Brain Injury. In collaboration with the other services, we developed a set of events-based parameters, mandating that our leaders search out Marines who have experienced a concussive event. This measure no longer relies on identification of impacted service members solely on their willingness to seek help on their own initiative. These protocols are in place now in Afghanistan, and we are already seeing a culture change in the attitude of Marines about being treated early for a Traumatic Brain Injury.

We have established an in-theater Restoration Center that brings comprehensive concussion diagnosis and management as close to the front lines as possible to ensure that appropriate care is available as quickly as possible. We are currently developing policy and applications to track Traumatic Brain Injury from “point of injury” to “return to full duty” separately but in parallel with medical documentation. These measures will empower commanders with the information they need to monitor the health of a Marine who has suffered a concussive event and intervene appropriately for the duration of a Marine’s career and long after the initial injury.”

Transition Assistance.—We believe transition assistance should be a process not an event. We have established a goal to make the Marine Corps Transition Assistance Management Program more value added for our departing Marines. From 2009 to 2010, we conducted functionality assessments of the Transition Assistance Management Program and the Lifelong Learning Program and noted many deficiencies. In response, we established two Transition Assistance Operational Planning Teams in 2010 to assess existing programs. We have developed an “end to end” process improvement plan that will begin at the point of initial accession into the Marine Corps and continue through post separation. We are initiating actions and integrating existing capabilities that will most directly improve the quality of support provided to Marines within 6 months prior to separation and those who have been separated at least 6 months.

Marines have expressed a desire for assistance navigating Department of Veterans Affairs benefit processes such as in cases of enrollment for and access to education benefits. We will modify existing websites to improve access and enhance opportunity for separating Marines to speak directly to Marine Corps support personnel who are trained to remove administrative benefit processing barriers. We will improve networking opportunities to help Marines find meaningful employment and are adapting our current job fairs to support increased networking opportunities that will allow them to meet mentors and employers.

Marines have asked for an opportunity to connect with employers and learn how to translate their intangible and tangible attributes. Our transition workshops will be overhauled to address these needs. Marines are also seeking help to simplify enrollment processes for the post 9/11 Montgomery GI bill and to gain access to academic institutions that will provide the quality and level of business education and skills private industry demands. We have initiated a Leader-Scholar Program, which includes academic institutions who value Marines’ service commitment and pledge special enrollment consideration. While the support varies from school to school, we now have 75 participating institutions with the goal of an additional 25 by the end of this year. As we gain momentum, we will continue to change the transition assistance program from its current event focus to that of a process that integrates Marines into the civilian sector with the knowledge, skills, and abilities to leverage and communicate their Marine Corps time and experience.

Family Readiness Programs.—We increased baseline funding for family support programs beginning in fiscal year 2010 to ensure appropriate wartime footing. Programs benefitting from this measure include the Unit, Personal and Family Readiness Program; Marine Corps Family Team Building Program; Exceptional Family

Member Program; School Liaison Program; and other miscellaneous Marine Corps Community Services Programs supporting remote and isolated commands, deployed Marines, and independent duty Marines and families. We are currently conducting a complete review to ensure effectiveness and efficiency of these programs. Our goal is to determine where expansion may be needed to further assist our families and where programs can be streamlined to reduce redundancy.

Wounded Warrior Care.—Marines continue to suffer numerous wounds, trauma, and injuries during operations in combat and during training missions. Many of these brave heroes with significant injuries are convalescing at military treatment facilities here in the National Capital Region and across our Nation at other major military treatment facilities. Our Wounded Warrior Regiment provides non-medical care management services to wounded, ill, and injured Marines and their families. The Wounded Warrior Regiment continues to improve existing programs and add new support mechanisms. We have increased support to wounded, injured, and ill reserve Marines through additional Recovery Care Coordinators, enhanced family support at military treatment facilities, and one-on-one orientation sessions. We also provide Integrated Disability Evaluation System Support through Regional Limited Duty Coordinators and Wounded Warrior Attorneys. We have also initiated a mandatory Warrior Athlete Reconditioning Program. Outreach is an important aspect of the Regiment's non-medical care delivery and management. The Sergeant Merlin German Wounded Warrior Call Center extends support to Marines and families through advocacy, resource identification and referral, information distribution, and care coordination, 24 hours a day, 7 days per week.

The comprehensive care coordination provided by the Wounded Warrior Regiment throughout the phases of recovery has been highly successful. The results of internal assessments have substantiated that creation of the Wounded Warrior Regiment has had a positive impact on the support offered wounded, injured and ill Marines and families. The Marine Corps will continue to honor the commitment to our Wounded Warriors and to help them return to full duty or successfully reintegrate into their communities.

Behavioral Health Integration.—Behavioral health needs since 9/11 have become increasingly complex with individuals often requiring assistance in a number of areas at one time. Marines with more than two deployments have been identified as a higher risk population. According to the Joint Mental Health Assessment Team, psychological health problems remain steady at 11 percent of Marines for the first and second deployments, but increase to 22 percent for those who have deployed three or more times. Sixty-five percent of Marines are under 25 years old. Associated with this young force are high-risk factors that include communication and coping skills, isolation, combat-related wounds and substance abuse. Drawdown of end strength following Operation Enduring Freedom and return to garrison life will likely result in additional behavioral healthcare requirements as Marines redeploy and adjust to the garrison environment. We continue to move forward with our integration of prevention and intervention programs initiated in 2009. We have established a Behavioral Health Branch at our headquarters for Manpower & Reserve Affairs. Headquarters Marine Corps Health Services also has created and filled a new billet for a Director of Psychological Health.

Military Construction.—The Marine Corps maintains its commitment to facilities and infrastructure supporting both operations and quality of life. Our military construction and family programs are important to success in achieving and sustaining our force structure and maintaining readiness. For many years, we funded only our most critical facility needs. As a result, our installations were challenged to properly house and operate the additional forces required to meet our planned end strength increase. Between fiscal years 2007–10, we received \$6.9 billion in new construction and design. With this funding, we are providing new quality of life facilities, improved operational and training facilities, and more modern utility infrastructure systems.

Our fiscal year 2012 military construction budget request is \$1.4 billion. With these requested funds, we will provide Bachelor Enlisted Quarters, aviation support facilities, and improvements to quality of life, utilities and infrastructure, and professional military education facilities. Additional family housing efforts in fiscal year 2012 include improvements to existing housing units and funding for the operations, maintenance, and leasing of 1,100 units worldwide and oversight of 22,000 privatized units.

CONCLUSION

The United States Marine Corps remains the Nation's crisis response force-of-choice. Our continued success in Afghanistan and throughout the globe is made pos-

sible by the loyal sacrifice of our incredible men and women in uniform, Civilian Marines, and our Marine Corps family. The personnel, equipment, and training that have given us success over the nearly past 10 years at war has come through the ongoing support of Congress and the American people. I promise that your Marine Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent.

In the coming year, we will begin a deliberate transformation into a force optimized for the likely threats of the next two decades. We understand and appreciate the contribution that each Marine has made for this great Nation, and we recognize the heavy burden it has placed on their loved ones. We remain “Always Faithful” to our Marine Corps family, to Congress, to our chain of command and to the American people.

LITTORAL COMBAT SHIP SPLIT BUY PLAN

Chairman INOUE. If I may, I’d like to begin asking questions.

Mr. Secretary, you have received authorizations to have a split buy on the LCS. How will that benefit the Navy?

Mr. MABUS. Mr. Chairman, as you pointed out, we have received authority to buy both variants, both the one made in Marinette, Wisconsin, and the one made by Austal in Mobile, Alabama. These ships bring us differing but important capabilities, each one of them.

When I became Secretary, this program, in the summer of 2009, bid out three ships. We had planned to buy both versions at the time, but the bids came in just unacceptably high. So, we made the decision to reduce that to one version, have the two yards compete against each other.

Over the course of the next year, the bids came in dramatically reduced. The average ship cost, over 10 ships, for each variant is less than \$440 million. By doing both versions and using two yards—and we had always planned on using two yards, whether we had one version or two—we were able to speed up the delivery of the ships. We were able to buy 10 ships, from 2011 to 2015, and to buy—from each supplier—which will get us almost one-half the class of ships—55—that we’re planning to build with the littoral combat ship.

This ship, and its two variants, is incredibly important to the Nation’s future and to the Navy’s ability to do the missions that we’re given. Shallow draft, very fast, manning of about 40 people for the core crew, and another 30 for the weapons systems, gives us great flexibility to meet the challenges that we see in the future.

Finally, the fact that it—that both these ships are modular, that you can take one weapon system off and put another one on, means, as technology improves and as weapon systems change, we can keep up with the technology, we can change weapon systems without changing the hull, without changing the entire ship.

So, we think that this is going to provide us an incredible capability at a greatly reduced cost, almost \$3 billion in savings, from the first 20 ships, and that it will give us the flexibility that we need to perform the missions that the Navy has been given.

Chairman INOUE. You’ve spoken about the continuing resolution, and all of you have done the same. I can assure you that this subcommittee is very much against the continuing resolution, because that’s no way to run the Government. And we’ll do our best to go back into regular order. As you know, in the last fiscal year, we did—12 subcommittees—come through with our bills on time.

CONTINUING RESOLUTION IMPACTS ON 313 SHIP GOAL

On the matter of 313, as Admiral Roughead stated—the base, the minimum—how will the continuing resolution and the budgetary crisis affect this number?

Mr. MABUS. We have, as I pointed out, 56 ships across the FYDP. But, because of the continuing resolution, we are unable to begin one Virginia-class submarine this year. We have planned to build two each year, over the next—well, starting in 2011, over the next 6 years. And we have a multiyear procurement authorized by Congress to do that. If we are unable to start the second Virginia-class, we will break the multiyear, and we'll have to go in and renegotiate the cost of future Virginia-class submarines. We have two Arleigh-Burke DDG-51 destroyers that we cannot start as long as we are operating under the current continuing resolution.

The impact—and one MLP—one mobile landing platform—the impact from not beginning those ships will have ripple effects as we go forward. It will keep us from reaching the numbers that we need as quickly as we need. It will mean that the ships will almost inevitably cost more, which may mean fewer ships. If our shipbuilding plan, that we submitted for fiscal year 2011 and updated for fiscal year 2012, is fully built and funded, we will not only get to the 313 floor, but we will reach in the neighborhood of 325 ships early in the 2020s, which will give us what we need to have for a global fleet. But, we are very concerned that if we are unable to start these ships this year, in fiscal year 2011, that the ripple effects will have huge impacts as we go forward.

Chairman INOUE. Thank you very much.

RUSSIAN NAVY ASSESSMENT

Admiral Roughead, in recent months very little, if anything, has been said about the Russian navy. If you look at the front pages, you don't see anything about the Russian navy. But, at one time, it used to be a formidable force. What is your assessment of the Russian navy today?

Admiral ROUGHEAD. Thank you very much, Senator.

And, to your point, the Russian navy has not been in the news that much. And that really, in my opinion, is because, in the period of the 1990s, that the navy was significantly reduced in capability and capacity. The funding had fallen off. Several of the shipbuilding programs had stopped or atrophied.

That has since changed in recent years. And with the economy contributing to the resources that are now made available to the Russian navy, I believe you're going to see an increase in the capability, the capacity, new shipbuilding programs taking hold. Recently, there are negotiations taking place, between France and Russia, on construction of a large amphibious ship. And so, I believe that the Russian navy, which still has great ambition, great pride in the fact that they are at a world-class level of capabilities, will now begin to, for want of a better term, rebuild itself, bring more modern capabilities to bear, and to be able to operate more widely.

That said, I believe it's important that we work closely with the leadership of the Russian navy to see where there are opportunities

for cooperation, to see where we can join together and have a relationship that is constructive and globally relevant.

I think it's also important to note that we have been conducting operations with the Russian navy in the counterpiracy area.

But, clearly I think, after a period of stagnation in the 1990s, the Russian navy is moving again.

CHINESE NAVY ASSESSMENT

Chairman INOUE. Can you give us an assessment of the Chinese navy?

Admiral ROUGHEAD. Thank you, Senator.

And I've been an observer of the Chinese navy now for probably over 15 years, where, because of my assignments in the Pacific, I've had an opportunity to not only visit China on several occasions, but also to be present when Chinese ships have called in Hawaii, when I was commanding there, and to have had the opportunity to spend several sessions with my Chinese counterpart, Admiral Wu Sheng Li. The Chinese navy is—has been advancing, developing, expanding their shipbuilding programs, increasing the level of technology that is available to them, and also beginning to operate more globally.

Like the Russian navy, we also, for the last 2 years, have been operating daily with the PLA navy in counterpiracy operations.

But, we see their submarine fleet expanding, surface combatants are expanding. But, it's also how they're using command and control and the nature of the operations that tend to expand beyond what we call the "first island chain," in the western Pacific.

It's a navy that's also seen the value, as we have, in aircraft carriers. And they have an aircraft carrier development program that's underway. The initial phase will be based on a former Russian aircraft carrier. But, I see that developing. And, as you know, the PLA has a longer view of time. And it's a very thoughtful approach on how you bring these capabilities to bear.

Similarly, I believe it's important that we look for ways, as we're doing off the coast of Somalia, to develop a professional relationship, and to also develop personal relationships with the leaders in the PLA navy, so that we, too, can operate in ways that enhance the safety and the security of the world oceans. But, it's a navy that I would say is the fastest-growing, not just in capacity, but also in capability, in the world today.

Chairman INOUE. I've been told that the Chinese have more submarines than we have. Is that correct?

Admiral ROUGHEAD. Yes, sir, in terms of numbers. But, I also believe that there's a qualitative dimension to the submarine force. And there is no question in my mind that we, in the Navy—in the United States Navy—operate the most capable submarine force in the world. And with the advent of the Virginia-class submarine into our inventory, there's no finer submarine, no more capable submarine in the world today than the Virginia. And that's why being able to get to the build of two per year, to be able to take advantage of the multiyear, that the Secretary pointed out, why getting out from under the continuing resolution is key, because the Virginia submarine is the most capable warship that we have.

Chairman INOUE. Thank you.

May I ask General Amos a few questions.

UNITED STATES MARINE CORPS FORCE STRUCTURE CHANGE IMPACTS

The Marine Corps recently announced significant force-structure changes that will greatly affect the composition of your units in the future, making them lighter and more agile. This review stated that these changes will impact your budget request for fiscal year 2013 and beyond. However, we have before us the 2012 request for equipment that will likely start delivering when you begin implementing these changes. Can you explain to the subcommittee the immediate impact these force-structure changes on the procurement programs, such as MRAP tactical vehicles and other equipment will have?

General AMOS. Chairman, just a quick note on the effort itself. It began last fall, spent all fall with a lot of really smart folks working to determine what the Marine Corps should look like in a post-Afghanistan environment. That was the framework we began with. We began with the mission of the Marine Corps, which is America's expeditionary force and readiness, this crisis response force. So, using that as the background, and understanding that—and informed by, this would be a force post-Afghanistan, we began to take a look and say, "Okay, with the future security environment that we will be likely working in for the next two decades, what would that force be required to do?" And, again, informed with history, we said, "What should it do? What kind of equipment would it need? How big would it need to be?" So, the results were finished right around Christmas, and briefed to the Secretary of the Navy in January, the Secretary of Defense in early February.

Right now, the Marine Corps sits at 202,000 marines. We grew—started in 1990—excuse me—started in 2007, from about 182,000, up to 202,000. And that was so we could get some dwell time in our units, in—that are combat units that were deploying constantly in and out of Iraq, and certainly now in Afghanistan. That's happened, that's been very beneficial. But, does the Marine Corps need 202,000 in a post-Afghanistan environment? And the answer was no.

So, based on that, we built a force with capability sets learned from the lessons—or, educated by the lessons of 9 years of combat. I think it's a more capable force. We will go down to 186,800 marines. The guidance I have been given by the Secretary of Defense and the Secretary of the Navy is that that is conditions based. It is not designed to do this now, while we have 20,000 marines on the ground in Afghanistan. This is post-Afghanistan.

So, we are looking now—when I made the comment, in my statement, that we were—they will have some immediate, during fiscal year 2012, changes; that's predominantly within the structure that we currently own. In other words, we're going to eventually reduce 21 headquarters as we flatten the Marine Corps to make it more capable and less complicated by higher levels of decisionmaking. So, we've collapsed or eliminated 21 headquarters. We've eliminated three infantry battalions. But, those will not go away until the end of—until our war is over, until we come out of Afghanistan.

So, within fiscal year 2012, there will be very little, other than just moving some capabilities around internally within the Marine

Corps. For example, we'll probably go ahead and collapse a couple of these headquarters in fiscal year 2012. We're going to take some of the structure that we currently have, and we're going to start putting it into our Cyber Command so we can beef that up. We're going to take some of our current 202,000 marines and move them into Marine Special Operations Command and begin that migration.

So, the actual cost in 2012 will be transparent. Where we think we're going to begin to see some cost breaks will begin in 2013. We don't know precisely what that will be, because we're going through all the detailed analysis now of: Precisely when do you start drawing down equipment? Or, when do you stop, perhaps, buying equipment that you had planned on buying, at the rate that you were buying?

So, we don't know the answers to that yet, Chairman. But, we will know that probably by June, as we begin to really get serious about the fiscal year 2012 budget. So, the end state will be a very capable force, capable of doing everything that we have done in the past, be slightly larger than what the force was when we began the buildup in 2007. But, it will be informed and—by all the lessons learned of almost—really, almost 10 years of hard combat.

Chairman INOUE. Thank you very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

U.S. NAVY DISASTER RELIEF ASSISTANCE TO JAPAN—SECNAV

Mr. Secretary, we all have been watching the news reports from Japan and the vicinity, about the effects of the earthquake and other related collateral damages that may have been done in that region. Do we have naval forces that have been affected directly by this tragedy? And, if so, what are we doing to position for either relief efforts for our own troops and ships or land-based personnel who happen to be in the area? To what extent is the Navy involved in that?

Mr. MABUS. Senator, first, thank you for your very kind remarks in your opening statement.

We are very involved in all aspects of the relief effort in Japan. As CNO pointed out, we have, or will soon have, 14 ships and more than 10,000 people in Japan, or in the waters off Japan, to do humanitarian assistance and disaster relief. The marines have—from the 3rd Marine Expeditionary Force in Okinawa—have brought a headquarters company up, with 500 marines, to very close to the affected area to do things like radiological testing, to do humanitarian assistance planning. They've also established a refueling station so that we can use our helicopters more effectively.

We're also flying with fixed-wing aircraft to deliver humanitarian assistance. We're flying our helicopters—and we will soon have almost 70 helicopters—in the region or in the area that was affected. We're moving Japanese first-responders—Japanese troops—by ship to the affected area.

In terms of our own folks there, as you well know from your visits there, we have ships home-ported in Japan. In Yokosuka, we have the USS *George Washington* and a couple of other support ships there. We have been monitoring the—what has been going on

with this disaster. A couple of days ago, because of a wind shift, we recommended that our people in Yokosuka and other bases that we have on Honshu, the main island in Japan, remain indoors, to the maximum extent possible, because of radiation exposure. We didn't believe it was a threat to health or to life, but, out of precautions, we urged them to stay inside. The wind has since shifted again, and we've removed those precautions.

We have moved our ships off the coast of Japan to keep them out of the plume that is developing. We are monitoring individuals that are actively engaged in the relief effort, to make sure that their radiation exposure is within appropriate bounds. We have done decontamination work on equipment, which mainly involves just washing them—washing surface radiation off—to date.

U.S. NAVY DISASTER RELIEF ASSISTANCE TO JAPAN—CNO

But, we're going to continue to, every moment, monitor the situation to—and, in case there are changes, to make the appropriate changes for our people who are there permanently and to the forces that we have sent to help in this humanitarian disaster.

Senator COCHRAN. Admiral Roughead, do you have any comments to make along those lines?

Admiral ROUGHEAD. Just to echo what the Secretary said. I think the benefit of having the forces forward-deployed, but also the flexibility that we derive from a global forward-deployed Navy, allowed us to move one of our aircraft carriers into position very promptly. The USS *Ronald Reagan* is off the coast of Honshu, operating in areas that are safe to operate in. And the nature of being able to close forces, to pick up from an exercise in Southeast Asia and, in a matter of days, move off the coast of Japan to be able to provide this assistance—and it's coming from all of our ships; it's not just the aircraft carrier. We have guided-missile destroyers that are serving as fueling pads for the helicopters that are involved in search and rescue. Our amphibious ships, with their capacity—and, as the Secretary mentioned, one of our amphibious ships is up on the island of Hokkaido, loading Japanese self-defense forces to be able to then go down to Honshu.

U.S. NAVY DISASTER RELIEF ASSISTANCE TO JAPAN—CMC

And I think what it describes is a global Navy that's forward, that's ready, that can respond, but it has a variety of capabilities that gives you that balance that can swing from, in one case, combat operations, all the way to humanitarian assistance. I think it's important to realize that the USS *Ronald Reagan* and her strike group were on its way to conduct combat operations in Afghanistan when, on a moment's notice, it shifted into a full humanitarian mode. That shows the flexibility of our force. Most importantly, it shows the flexibility and the compassion of our people.

Senator COCHRAN. Thank you.

General Amos, do you have Marine Corps forces in the region? And, if so, what's the effect on them?

General AMOS. Senator, we do. We have about 500 marines on the ground right now. They're at various locations. Some are at the Naval Air Station Atsugi, which is just south of—it's really in the suburbs of Tokyo. We have some at Yokota Air Force Base, where

we brought in what we call our Expeditionary Mobile Command Post, which is a very capable trailer-like setup, where we can talk to just about anybody in the world, with enormous capability. So, we brought that in. And then we set up—just as the Secretary said, just east of the affected area, we set up a—what we call a forward arming and refueling point. We're certainly not doing any arming, but—that's what we call them—but, it's where we bring in the actual fuel and bladders. We bring in pumps. We bring in hoses. We can hook up to any jet aircraft. We can hook up to any helicopter. And that's what we do with expeditionary marine aviation.

So, for us, being able to work in a very austere environment suits our capabilities well. So, we bring that. So, we are forward to the east, and we're south with command and control. And, as the Secretary and the CNO have said, we've got 2,200 marines on board the USS *Essex* and that marine expeditionary unit.

So, yet to be seen what they're going to do, but everybody is poised to assist with humanitarian operations. It can be everything from medical—it can be just evacuation. It can be food and water—clean water. It's a host of things, Senator. And so, we do this. We practice it. As I said, in my opening statement, we did it in Haiti, just about this time last year. We did it in Pakistan, 400 miles deep, when the floods—we've done it on the backside of the Philippines, when that super typhoon, Megi, came through. So, we actually—this naval force has an enormous capability.

I was particularly proud and pleased that, within 12 hours notice, that eight C-130Js and eight 40-year-old CH-46 helicopters, with their marines and their equipment, flew out of the Marine Corps air station, Futenma Okinawa, and headed north to help out their brothers and sisters on the mainland Japan.

Senator COCHRAN. Thank you. We appreciate your leadership in monitoring U.S. interests in that region, and being a good neighbor at the same time.

Thank you.

Chairman INOUE. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Gentlemen, thank you.

And I, too, will echo the comments of the chairman and the vice chairman here in thanking you and the men and women that are working so hard and in such an incredibly capable way to provide for the level of rescue and relief, as we watch, in Japan.

And I appreciate the fact that we have the ability to be nimble as a Navy, as the marines, as our armed services are. We never know what's going to hit us, whether it's an earthquake or a tsunami, or what the disaster might be. But, one way or another, we figure it out.

EVOLVING ARCTIC CONSIDERATIONS

We've got a situation, up in the Arctic, that is not something that is happening overnight. We are seeing an evolving Arctic; an opportunity, viewed by many, but also a very noticeable challenge to us, as we, as an Arctic nation, work and act to be engaged in an area that, quite honestly, we haven't had to look at. When something's been locked up in ice, it's kind of put on hold, out of sight, out of

mind. That situation is changing as we see the impact of receding ice, as we see a level of commercial activity, of military activity, of tourism up in the Arctic. And it brings to mind the question as to, how nimble, how flexible we will be—can be—in an area that we just have not really had to have much of a presence?

There's a report that was released recently by the National Academy of Sciences. And they state that, "Even the most modest current trends in climate change, if continued, will present new national security challenges for the U.S. Navy, for our Marine Corps, and our Coast Guard."

We've seen reports that China plans to receive over 150,000 tons of oil, 600,000 tons of iron ore, and about 400,000 tons of gas condensate this year, all of which is going to be traveling in the maritime route, up north, through the Northern Sea Route. And depending on the size of any of these vessels, China's looking to receive anywhere from 7 to 28 tankers through the Northern Sea Route this year, an incredible increase from what we have seen last year. And it's not just what we're seeing from China in that activity. As I mentioned, we're seeing cruise ships that are coming up above the top; obviously, a greater increase in shipping activity. And the expanding role up there is something that—those of us that focus on the Arctic issues are concerned about our readiness.

The question that I have to you, Admiral, is, do we have the resources—the assets, the staffing, the training, the funding—that is necessary to develop the national security, the sovereignty concerns, as we see increased international presence within the Arctic?

EVOLVING ARCTIC CONSIDERATIONS—TASK FORCE CLIMATE CHANGE

I note that you, in response to the chairman, indicated that China has more submarines than we do as a nation. I understand that China has more icebreakers than the United States has. And we're the Arctic nation, they are not. So, can you speak to the—again, the changing role that we have, and our readiness?

Admiral ROUGHEAD. Thank you very much, Senator. And I thank you for your interest in the Arctic.

A couple of years ago, I put together something that I called Task Force Climate Change, to really look at the changes that were taking place, primarily in the Arctic, but it also expands into other areas of the globe.

But, there is no question in my mind that the Arctic is changing. I often, in public comments, refer to "the opening of the fifth ocean," which is the Arctic Ocean. We have not had an ocean open since the end of the ice age. So, this is a big deal. And the changes that you described—the fishing fleets beginning to migrate with the fishing stocks, mineral extraction will be taking place. Ultimately, we'll get to a point where we have profitable commercial channels that are now open. And that probably is within the next two decades.

And so, what we've done with Task Force Climate Change is, we've begun to look at, what is it that we must be putting in place as this ocean opens up? We have put some money toward that continued study and thinking about where we have to be. We're working very closely with the Coast Guard on how they see that future and how we must cooperatively work together to have in place the

right types of equipment and communications and surveillance systems in the polar areas so that we have a better understanding of what's going on up there.

ARCTIC CONSIDERATIONS—CONVENTION ON LAW OF THE SEA

But, I would say the most important thing that I think we should do is to become party to the Convention on Law of the Sea. And I know that, in some areas, that may not be a popular view, but my sense is that if we are not party to that treaty, then we will not have a seat at the table as this unfolds.

Senator MURKOWSKI. Can you go into, I think, a little more detail, in terms of what it means to not have a seat at the table? Does this limit our ability, within the U.S. Navy, within the Marine Corps, to be engaged, to be responsive, to be a participant in what is happening in the evolving Arctic? Because this is an issue that I'm very focused on—

Senator ROUGHEAD. Yes, ma'am.

Senator MURKOWSKI [continuing]. And I'm not seeing the urgency that I feel needs to be taking place on this issue.

Admiral ROUGHEAD. I think it—first off, if I could say about the convention, there are some who believe that being party to this convention will inhibit our ability, as a Navy, to conduct the operations that we conduct, and that we must, to support the interests of the Nation, be able to conduct. That is simply not the case. It in no way inhibits us.

But, what it does do, as issues of the Arctic and claims that are being adjudicated and discussed are taking place—not being party to that treaty, we will not be part of that discussion.

I would also submit that we, as a global Navy, as a Nation with global interests, the leadership role that we play in many venues is significant. And countries look to us to be able to take the principled positions that we do, and to lead in those positions. And as these issues that are being discussed, adjudicated, for example, in the Arctic, not only will we not be there, we will not be able to be that leader that I think many countries look to and will continue to look to in the future. So, I think it will inhibit and, I think, would—will be a detriment to us, as a Nation. But, in no way will it limit our ability to operate effectively as a Navy.

Senator MURKOWSKI. Well, I appreciate your leadership and your outspokenness on that as an issue. I do feel pretty strongly that we need to take the initiative, here in the Senate, to move toward ratification of that treaty.

Thank you, gentlemen.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

I'd like to welcome back Senator Coats. Welcome back, sir.

Senator COATS. Thank you, Mr. Chairman and Senator Cochran and Senator Murkowski. I am pleased to be on the subcommittee, and appreciate the opportunity to do this.

I need to make a bit of a confession. I—during my first term of service, I was an authorizer on the Senate Armed Services Committee for 10 years, and I must admit, I was—there were times when I was grumbling about the role of the Senate Defense Appropriations Committee. Now I am one. And so, I'm looking forward

to working with both the chairman and the ranking member and others on the subcommittee, and hopefully finding some seamless ways in which we can coordinate with the authorization committee to strengthen and make sure we have the kind of national security apparatus that has sustained this country for so long, and hopefully we can maintain that.

So, thank you, Mr. Chairman, for your welcome.

U.S. NAVY-CHINESE NAVY RELATIONSHIPS

Admiral Roughead, I was interested in your response, relative to the relationships that you've developed with the Chinese navy. It wasn't that long ago—just a couple weeks, I think—when DNI Director Clapper told a Senate subcommittee that China was one of the two major threats. And we have seen a significant increase in spending and development of not only the Chinese navy, but the Chinese military.

And so, I wonder if you could just delve a little more into that, in terms of your relationship, what your response is to DNI Clapper's view, in terms of the Chinese navy being a major threat to the United States, and give us some of your thoughts in that regard.

Admiral ROUGHEAD. Thank you very much, Senator.

And whenever I talk about a threat, whether it's another navy or simply walking down a road, I think a threat requires two things. It requires the capability to do you harm, and it also requires an intent to do that. And so, I think those are two components of threat. As I look at the PLA navy, and I look at how their capabilities are developing, as I do globally, with any navies around the world, I look at what those capabilities are, how they're employed, what the competence of their people are. And so, I continue to watch that. And, as the leader of our Navy, my obligation, my duty, is to make sure that we, as a navy, are never denied any options when it comes to capability.

And as you look at our programs that we have laid out within this budget, they are focused on not just the types of wars that we find ourselves in today, but also, where is technology taking naval warfare? And how do we, as a navy and as a Nation, always enjoy the advantages of being able to be in an unfair fight, from our perspective? So, that's what I do, as the Chief. So, I'm comfortable with the programs that we have put together, with the initiatives that we have put in place here.

I do—as I mentioned, in my earlier remarks, I think it's important to try to gain insight into what their intent is and how they intend to use that navy. So, watch developments very closely, build programs so that we are not disadvantaged. And I think that's why you've seen the emphasis on antisubmarine warfare in this budget—integrated air and missile defense, electronic warfare, cyberwarfare—because that's the world that we're going to be operating in for the foreseeable future.

CHINESE NAVY STRATEGIC INTENTIONS

Senator COATS. Well, in listing those decisions, which I think are appropriate decisions, I mean, is it fair to—what do we think the intent of the Chinese is, relative to their navy and its—what is

their objective? What is their—what are their strategic objectives? Can you give us some insights into that?

Admiral ROUGHEAD. Yes, sir. I would say it's the objective that nations and navies have had throughout history. With regard to countries whose economies rise, and if those economies are built on transoceanic trade, it follows that there will be a strong navy. It happened with the Portuguese, the Spanish, the Dutch, the British, and with the United States. And as China's economy has grown, and as the resources have been available, and as they rely on the sea lanes of the world to bring resources in and goods out, they want to ensure that those sea lanes are able to be used. And that's what navies have done throughout history. And so, that's how I see the PLA navy developing, being able to control the sea lanes that are important to them, the areas around their country that are important to them. That's the path I see them on.

CHINESE MISSILE DEVELOPMENT

Senator COATS. What's your read on the Chinese development of a new missile capability in taking out carriers? I mean, there's a lot been written in—about that. This is more than just defending sea lanes for trade. This is a very aggressive weapon designed to take out a hugely expensive piece of property. That has immense implications, should something like that happen.

Admiral ROUGHEAD. Yes, sir. I would say that—and I know there's been a lot of discussion about the DF-21 missile, which is what has been developed. But, I think throughout war—the history of warfare, there have always been, how do you develop new capabilities to counter a capability that someone else has?

I would submit that the DF-21 is no more an anti-access weapon than a submarine is. Because I could argue that you can take a ship out of action by putting a hole in the bottom faster than you can by putting a hole in the top. So, I think it's all part of being able to control sea space, control access into the ocean areas. So, I think that that has—is part of it.

But, I would also say that, even though the DF-21 has become a weapon of—a newsworthy weapon, the fact is that our ships, particularly our aircraft carriers, can maneuver. We have systems to counter weapons like that. And so, you would expect me, as someone who wears this uniform, to prefer to be on that aircraft carrier, that can move and do other things, than to be on a fixed shore base where the targeting problem is extraordinarily easy, relative to trying to find, then target, and then hit a moving ship.

Senator COATS. I don't want to get into a classified area, but I assume, on the basis of what you've said, that we are pursuing, or have effective—what we believe to be, or will be, effective defensive systems to protect against that kind of a threat.

Admiral ROUGHEAD. Senator, my objective for our Navy is—whether it's a submarine, another ship, an anti-ship cruise missile, low-flying missile, or a ballistic missile—is to not be denied ocean areas where we can operate, or not be restricted in our ability to operate.

Senator COATS. Yeah.

F-35B (STOVL) DEVELOPMENT

Mr. Commandant, General, just one question, in the interests of time here. The F-35B, the V/STOL, now under moratorium for 2 years—what if the worst-case scenario happened—either funding wasn't available to go forward with that, or the technical issues associated with the development of that were prohibitive, or the combination of the two, the funding and the technical problems—and we couldn't build that or couldn't source you with that. What are your alternatives? How serious an issue is this, relative to your capabilities in the future, if we were not able to do that?

General AMOS. Senator, the short answer to your question—then I'd like to put a little bit more on the back side—is, there is no alternative right now. And the impact is more than just to the Marine Corps. This is our Nation. Right now, today, we have 11 carriers—11 carriers that transit the world, and some of which are off the coast of Japan right now, and off the coast, doing combat operations in the Southwest Asia area.

We also have 11 large-deck amphibious ships, one of which is the USS *Essex*, that's—that will arrive off the coast of northern Japan later today. So, 22 capital ships flying fixed-wing aircraft off. Now, our amphibious ships, we fly MV-22 Ospreys, we fly helicopters, attack helicopters, and we've got about 500 marines on board one of those large-deck ships. And then we spread the other marines out.

But, what this means for the Nation is, if we lose this capability, the ability to take a fixed-wing aircraft and land it vertically on board a—large-deck amphibious ships, then our Nation now is reduced, by 50 percent, its ability to influence and—its—you know, its will, around the world, at any given time.

You take the F-35B, which is the Marine Corps version, short takeoff and vertical landing—we'll take off from that amphibious ship. It is a fifth-generation aircraft. It not only is a strike aircraft, but it's what we call an ISR platform—intelligence, surveillance, reconnaissance. It has the ability to do electronic jamming, electronic warfare, just inherent in the basic platform. It will have the ability to do information management, and spread that out over large portions of the battlefield, down to a marine corporal who's on the ground. It has that ability inherent in the platform. That makes it, along with its ability to carry weapons, its stealth, a fifth-generation fighter.

So, in a nutshell, if we lose this, our AV-8B Harriers, the ones that you see land vertically—and we've been flying them for so—for a long time—will begin to run out of service life around 2020, 2022. So, if we lose this airplane, then what you'll have is, you'll have 11 large-deck ships—carriers—with fifth-generation airplanes, and you'll have 11 large-deck amphibious ships with rotary-wing aircraft doing rotary-wing-type missions instead of having the ability to have fifth-generation fighters on there.

The last thing I'd say, Senator, is—I've been tracking the F-35B—as I said in my opening statement and in my written statement—very, very carefully. If—in my office, I watch the metrics of how that program is progressing. Tomorrow, the program manager and the senior leadership of Lockheed Martin and the senior lead-

ership of the Department of Defense come to my office—tomorrow will be my first monthly meeting—where we sit down and we go over the progress of this airplane. I will not be surprised by this. The airplane is—by order of the Secretary of Defense, is on a 2-year probation period. I don't want it to last 2 years. I don't think it needs to last 2 years. I think we'll be able to prove the airplane's performance and ability to meet standards well before then. But, that's the decision my seniors have to make.

But, I want this subcommittee to know that I'm tracking it. I'm watching it. I'm very encouraged by what I've seen, just in the last 70 days. This year alone, the airplane has flown over 140 percent of its scheduled test flights. That's our version, the one that's on probation. It's flown more than four times the amount of vertical landings that it flew all last year, in the first 60 days of this year. This year, it's scheduled for 480 test points. Every airplane that goes up on a test flight has to hit certain specific test points to determine the—how the airplane is performing. We've flown almost one-half of those test points—not quite; about 40 percent—just in the first 70 days of this year's schedule.

So, I'm encouraged. The engineering fixes are coming along. But, I'm not a Pollyanna. I'm going to watch it very, very carefully. And as I said to the Secretary of the Navy and the Secretary of Defense, that if this airplane is not performing, much like the EFV, then I'll be the first person that comes forward and says, "Okay, then we need to cancel it." But, I'm optimistic. I don't think that that will happen.

Senator COATS. Okay.

Mr. Chairman, thank you.

Mr. Secretary, thank you for your service. I don't have any questions.

I appreciate being a part of the subcommittee and look forward to future times together.

Chairman INOUE. Welcome back.

I have many other questions I'd like to submit to the panel for their responses. But, may I ask one question.

The front pages have been filled with articles on the unrest and the instability of the Middle East. I'd like to know about the Navy's readiness posture. Are we ready to respond to anything?

Mr. MABUS. Mr. Chairman, I'll give you the overall answer, and then I'd like the CNO to give you details. But, the overall answer is, yes, sir, we can respond to whatever mission is given to us in the Middle East or anyplace else in the world. And we are—we have the readiness and the capability to do that.

Admiral ROUGHEAD. To follow up on the Secretary, Mr. Chairman, as you know, we maintain a ready force in the Central Command area of operations, the Middle East. We currently have two aircraft carriers that are deployed there—submarines, surface ships. And when they go forward, they are prepared for a range of operations, all the way from high-end combat to, as we see, humanitarian assistance. But, we train them to go forward, to be prepared, to be ready for sustained combat at sea. That has not changed, and that will not change.

And so, the forces that are in the Arabian Gulf, in the North Arabian Sea, are prepared and very flexible to do whatever would be required of them.

And then, we've also put some forces into the Mediterranean, because of the unrest that has taken place in the Magreb, particularly in Libya—took some ships from the Amphibious Ready Group that was there, put them in the Mediterranean. Destroyers and submarines are also present there. So, it's also the place where we have our 5th Fleet Headquarters, in Bahrain, where the 5th Fleet commands the operations in the Central Command area of operation.

U.S. NAVY AND MARINE CORPS READINESS POSTURE

I'm in daily contact with our commander there. The unrest has not been manifested toward the United States, or, indeed, any Westerners. And the 5th Fleet operations continue.

In the last couple of days, there was an authorized departure that was put in place for our dependents in Bahrain, and some of the families have started to take advantage of that.

But, we remain ready. We are ready. Our command and control is in place, and our capability is in place. And those naval forces are ready to do whatever is asked of them.

Chairman INOUE. General?

General AMOS. Sir, we have—as you know, most of our forces are on the ground, currently, in Afghanistan. Although we have a MEU, a marine expeditionary unit, that should be arriving there in the next couple of days, we have a portion of a marine expeditionary unit currently on the ground, in Afghanistan. So, those forces that are attached to naval vessels are ready, sir. And we are bringing in this capability from the west coast—should arrive here shortly. But, all those forces at a very high state of readiness before they leave the United States, headed toward the Central Command area of operations.

Chairman INOUE. General Amos, this may be your first appearance before a congressional committee, but I'm certain your fellow marines would be proud to have seen you respond and answer all those questions. You've done very well, sir.

ADDITIONAL COMMITTEE QUESTIONS

I'd like to thank the panel for their testimony, and I'll be submitting more questions.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. RAY MABUS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

HEALTH CARE PROPOSALS

Question. I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most important benefits we provide to the men and women serving our Nation. The Department of Defense is proposing several changes to the military health system that would raise out-of-pocket costs for military families. Could you please explain why these changes are necessary, and what impact they might have on military personnel and their families?

Answer. The Secretary of Defense has articulated that the rate at which healthcare costs are increasing, and relative proportion of the Department's resources devoted to healthcare, cannot be sustained. He has been resolute in his commitment to implement systemic efficiencies and specific initiatives which will improve quality and satisfaction while more responsibly managing cost. We recognize that the Military Health System is not immune to the pressures of inflation and market forces evident in the healthcare sector. In conjunction with a growing number of eligible beneficiaries, expanded benefits and increased utilization throughout our system, it is incumbent upon us to ensure that we streamline our operations throughout the system in order to get the best value for our expenditures.

The Department of the Navy supports the Secretary's Defense Health Care Reform initiatives and believes these proposals are consistent with our efforts over the last several years including focusing on internal efficiencies, incentivizing healthy behaviors and ensuring all of our beneficiaries are treated equitably. These proposals are modest and provide an opportunity for all participants—the Government, providers of healthcare, and beneficiaries—to share in the responsibility to better manage our healthcare costs.

Question. I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most important benefits we provide to the men and women serving our Nation. The Department of Defense is proposing several changes to the military health system that would raise out-of-pocket costs for military families. Secretary Mabus, increases in co-pays were proposed and rejected just a few years ago. Could you explain how these proposals are different, and why they should be reconsidered by Congress at this time?

Answer. The rising healthcare costs within the Military Health System continue to present challenges. The Secretary of Defense has articulated that the rate at which healthcare costs are increasing, and relative proportion of the Department's resources devoted to healthcare, cannot be sustained. TRICARE Prime enrollment fees for retirees have not changed since 1996. The Secretary's proposals include a modest adjustment in TRICARE Prime enrollment fees for all retirees under age 65 (\$5/month for families or \$2.50/month for individuals) as well as modest adjustments (none more than \$3) to pharmacy co-pays for all beneficiaries (except active duty) to promote the use of the TRICARE Home Delivery program.

The Department of the Navy supports the Secretary's reform proposals to better manage our health benefit in a way that delivers a superb benefit while more responsibly managing cost.

NAVY ENERGY

Question. Secretary Mabus, for the last 4 years, this Committee has added funds to the budget to increase Navy research efforts on alternative fuels, and we have supported your initiatives to reduce the dependence of the Navy and Marine Corps on fossil fuels. A recent study has questioned the value of the military's use of alternative fuels. Could you comment on the findings of that report, and explain why your initiatives are important to the Navy and Marine Corps?

Answer. The RAND Corporation Report was not well researched and did not take into account the recent research and development advances in the biofuels technologies. RAND stated in their report that the Fischer-Tropsch coal-to-liquid/biomass-to-liquid fuels are the most promising near-term options for meeting the Department of Defense's needs cleanly and affordably. Currently, there are no Fischer-Tropsch plants here in the United States. Additionally, under the guidelines of the Energy Independence and Security Act (EISA) of 2007, section 526, any replacement fuel has to have a greenhouse gas emission profile less than petroleum. In order to meet this guideline, any Fischer-Tropsch coal-to-liquid plant would have to have carbon capture and sequestration incorporated into this overall process. While there is important carbon capture and sequestration research and development ongoing at DOE, there has not been any carbon capture and sequestration process built to commercial scale in the United States. In summary, due to the EISA 2007, section 526 guidelines and the cost prohibitive carbon capture and storage process, we feel that the Fischer-Tropsch coal-to-liquid/biomass-to-liquid fuels are not the most promising near-term option for meeting the Department of Defense's needs cleanly and affordably.

In the RAND report, some of the conclusions suggested that the alternative fuel industry is immature, could not scale up to make an appreciable difference as a domestic alternative, and recommended that DOD not invest in this market. We have found that the biofuel industry appears to be well poised to be of commercial size and ready to meet Department of Navy (DON) demands by 2016 for the Secretary of the Navy (SECNAV) Great Green Fleet goal. According to Biofuels Digest, there

are 110 companies that are currently working on various biofuel products including mixed alcohols, bio-crude oils, and drop-in fuels.

The Navy prefers to see itself as an “early adopter” of available biofuels. The military has often led in the development of new technologies where there was a compelling military use, even if the civilian use was ultimately greater (ex. GPS, the Internet). The operational use of alternative fuels by the Department of the Navy will be hastened by collaborating with Federal agencies and private industry at every step of the research, development, and certification process. The alternative fuel program establishes the Department of the Navy as an early adopter for investors in a nascent industry that could significantly enhance energy security, and thereby national security, in the mid- to long-term. By positioning itself as an early adopter by testing available biofuels and certifying them “fit for use across our major platforms and leveraging test and certifications accomplished by the other services that meets our specifications”, the Navy is better poised to reap the following benefits:

—*Cost Savings.*—Increasing our use of alternative energy sources helps us achieve a level of protection from energy price volatility. For every \$10 increase in the cost of a barrel of oil, the Navy spends an additional \$300 million a year. Operating more efficiently saves money by reducing the amount we spend for fuel. Savings can be reinvested to strengthen combat capability. The cheapest barrel of fuel afloat or kilowatt-hour ashore is the one we will never use.

—*Guaranteed Supply.*—Our reliance on energy can be exploited by potential adversaries. Efficiency and alternatives may be our best countermeasure. Energy efficiency increases our mission effectiveness by expanding our range and endurance, and reducing our need for logistics support. Efficiency improvements minimize operational risks of that logistics tether, saving time, money, and lives. Alternative fuels provide the Navy an “off-ramp from petroleum,” mitigating the risk to a volatile and ever more expensive petroleum market.

—*Early Adopter of Technologies.*—The military has often led in the development of new technologies where there was a compelling military use, even if the civilian use was ultimately greater (ex. GPS, the Internet). The operational use of alternative fuels by the Department of the Navy will be hastened by collaborating with Federal agencies and private industry at every step of the research, development, and certification process. The alternative fuel program establishes the Department of the Navy as an early adopter for investors in a nascent industry that could significantly enhance energy security, and thereby national security, in the mid- to long-term.

—*Fossil Fuel Independence.*—The Navy recognizes that our dependence on fossil fuels and foreign sources of oil makes us more susceptible to price shocks, supply shocks, natural and man-made disasters, and political unrest in countries far from our shores.

—*Combat Capability.*—Making our ships and aircraft more efficient improves their fuel economy. We can increase the days between refueling for our ships, improving their security and combat capability. We can also extend the range of our aircraft strike missions, allowing us to launch our aircraft farther away from combat areas. Increasing our efficiency and the diversity in our sources of fuel improves our combat capability strategically and tactically.

Question. Secretary Mabus, are there particular alternative energy technologies which you find are most promising at this time?

Answer. The Department of Navy (DON) is exploring multiple solutions to reduce reliance on fossil fuels. It is critical to have a broad solution to this issue due to difficulties in predicting which solutions will be best suited for production at an industrial scale and at an acceptable price point.

The DON is aggressively moving to demonstrate and certify alternative fuels for tactical application. Although the DON has not specified any particular feedstock, alternative fuels considered by DON must comply with EISA 2007 section 526 and not compete with food production. The DON has been evaluating 50/50 blends of hydrotreated plant and algal oils with petroleum-based fuel. These blends have looked promising in both laboratory and aircraft and ship operation tests conducted to date. The DON is confident that its strategy of partnering with a broad coalition and demonstrating its commitment to and ability to use alternative sources of energy will lead to the successful development of clean alternatives and more secure domestic sources of energy.

Question. The Navy has been working aggressively to identify savings which can be reinvested throughout the department. The list of initiatives described in your budget rollout includes \$2.3 billion of savings on energy. Could you please detail the source of these savings?

Answer. There are numerous energy efficient initiatives and renewable/alternative energy programs that the Navy and Marine Corps are pursuing. The reduced reliance on fossil fuels will achieve lower energy consumption, strategic security, avoided energy cost, and a more sustainable Fleet. Here are the major program areas along with examples of projects with estimated savings.

Major Energy Program areas

Shore:

- Steam plants decentralizations
- Lighting systems upgrades
- Renewable energy systems (solar & photovoltaic)
- Rooftop solar thermal hot water projects
- LED street lighting projects
- Ground source heat pumps
- Boiler heat recovery upgrades
- Control system improvements
- Alternative Powered Vehicles

Tactical/Expeditionary:

- Hull coatings
- Propeller coatings
- Stern Flaps
- Allison 501K Efficiency Initiatives
- Aviation Simulators
- Smart voyage planning software
- USS *Truxtun* hybrid energy drive retrofit
- Alternative fuels testing and certification program
- Incentivized Energy Conservation Program (i-ENCON)
- Expeditionary Forward Operating Base (Ex-FOB)
- SPACES portable solar systems
- Light Emitting Diode (LED) Lighting
- Renewable battery charging systems

Examples of Projects for Navy Tactical with estimated savings

Stern Flaps for Amphibious Ships:

- Shown to have an average payback period of less than 1 year on FFG/CG/DDG platforms
- Currently undergoing testing on amphibious ships
- Savings estimated at ~5,500 BBLs/ship/year for LHD

Hull/Propeller Coating:

- Easy release hull/propeller coating system allows Navy ships to shed bio-fouling once underway
- Reduces costly periodic hull/propeller cleanings
- Savings estimated at ~1,800 BBLs/ship/year

Solid State Lighting:

- Uses LEDs for platform illumination
- LED lights in commercial applications last almost 50 times longer than Incandescent and 6 times longer than Fluorescent lights; provide the same illumination with 25 percent of the energy
- Currently testing on DDG-108 and LSD-52
- Payback estimated at 3 years, depending on fixture (savings of ~335 BBLs/ship/year for DDG)

Navy also continues to develop technologies that will be implemented in future years; the implementation schedule for these initiatives is subject to impacts based on final fiscal year 2011 budget:

Hybrid Electric Drive for DDG/LHD/LHA:

- Fuel savings by securing LM2500 propulsion turbines at low speed while loading gas turbine electric generators to more efficient operating condition (savings estimated at 8,500 BBLs/ship/year)
- Land-based prototype scheduled for testing mid-2011
- First afloat hybrid drive installed in USS *Makin Island* (LHD-8)
- Hybrid drive will be installed in USS *America* (LHA-6), which is scheduled for completion in 2012.
- USS *Truxtun* (DDG-103) scheduled to be first operational installation in fiscal year 2012 as an afloat test platform

Engine efficiency modifications for the F-35 Joint Strike Fighter:

- Improvement in F135 Block 5+ engine fuel economy and lifecycle cost through component upgrades and software cycle optimization

—Estimated Fleet-wide savings of ~35,000 BBLs in 2023 (upon delivery of Block 5 aircraft), increasing to ~178,000 BBLs/yr by 2029

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

MILITARY HEALTH

Question. Secretary Mabus, the suicide rate in the military is at an all time high. While both the Navy and the Marine Corps numbers seem to have decreased, one suicide is one too many.

What is your department doing to prevent suicides in the Navy and the Marine Corps?

Answer. We believe preventing suicide hinges on our leaders' ability to intervene early and lead a culture change to induce help seeking behavior. We continually improve the guidance and program support provided to leaders at all levels to combat this preventable loss of life.

Suicide prevention initiatives in the Navy include training aimed at front line supervisors to boost their understanding of the sailors they command, recognize changes in behavior, signs of concern, and engage early with appropriate support. Leadership seminars focus attention during times of transition and stress due to loss, including loss of status or career standing. Seminars also address the concept of continuously building and reinforcing connections with families and support structures to facilitate communication in times of need. Recognizing that people exposed to suicide are an at-risk group, expanded post-suicide-event training and guidance has recently been added to assist leaders in the aftermath of a tragedy to prevent future suicides. Suicide prevention coordinator and first responder training were provided world-wide and at Navy Reserve locations via Navy Reserve psychological health outreach teams.

For the Marine Corps leaders educate all marines about the relationship between suicide and stressors, warning signs, and risk factors—both through annual awareness and prevention training, and through additional training embedded in all formal schools from recruit training to the Commander's Course. Marines are also taught how to fulfill their duty to seek help for themselves or a fellow Marine at risk for suicide. The importance of seeking help early, before problems escalate to the point of suicide risk is also emphasized.

The "Never Leave a Marine Behind" suicide prevention training series is being expanded. In January 2011, we provided a junior Marine module as well as an update to the existing award-winning NCO module. In development for release soon are officer and staff noncommissioned officer modules that will help leaders to manage command climate in a way that builds resilience and encourages help-seeking in their marines.

To truly build a resilient force that fosters the ability of marines to cope with the widely varying stress of life, we must recognize the interconnectedness between physical health, behavioral health, wellness, and spirituality. We will accomplish this by better integrating our existing resilience programs, improving efficiency and effectiveness, and making resources more useful to leaders. To that end, many programs have been reorganized under a new behavioral health branch with the end state of one mission. Effectively leveraging other programming across the spectrum of behavioral health and extending into other wellness areas will proactively prevent suicide.

We recognize that strong partnerships are necessary to stay abreast of the latest available information within the suicide prevention arena and also to explore programming needs. The Marine Corps has collaborated with the American Association of Suicidology. Both the Navy and Marine Corps collaborate with Office of the Secretary of Defense (Readiness), Sister Services, other Federal, and civilian agencies, to continually adapt our efforts and reflect the latest public health science; and the ever-changing needs of the Navy and Marine Corps family.

Question. I am concerned that many programs are only directed to active duty servicemembers. What are the Navy and the Marine Corps doing to assist Reservists with psychological health issues as they transition back to civilian life and may not have access to military treatment facilities?

Answer. I agree with you that one suicide is too many, which is why the Department of the Navy continues to build a culture of support for psychological health and suicide prevention focused on prevention and early intervention while working to overcome the stigma associated with seeking needed care for the Total Force, including Reservists and their families.

Enabling a continuum of service, Reserve commands have trained Combat/Operational Stress Control (C/OSC) caregivers and C/OSC training is conducted regularly at all levels in order to prevent suicide, sexual assault and family violence, and to normalize buddy-care and help-seeking behavior as early as possible. Reserve Psychological Health Outreach Program (PHOP) teams, embedded in the Navy and Marine Corps Reserve communities geographically, support Commanders in identifying Navy and Marine Corps Reservists and their family members who may be at risk for stress injuries following deployments or other transitions and provide outreach, support, assessment, referrals and follow-up to local resources to assist with issue resolution, psychological resilience and growth. Along with mental health referrals, many successful referrals by the PHOP teams involve helping Reservists with financial and employment concerns that can affect psychological health and impact performance. Another effective tool is the Returning Warrior Workshops (RWW), a 2 day weekend program designed specifically to support the reintegration of returning Reservists and their families following mobilization. PHOP teams serve as facilitators at these Yellow Ribbon Reintegration Program signature events. In addition, FOCUS (Families OverComing Under Stress), a family centered resilience training program based on evidence-based interventions that enhance understanding of combat and operational stress, psychological health and developmental outcomes for highly stressed children and families, is available for reservists serving in areas with a high-active duty fleet concentration.

Question. What programs have been the most successful? I urge you to share those best practices with the other services.

Answer. Leadership at all levels is focused and engaged in suicide prevention, working hard to build individual and unit resilience, and to encourage sailors and marines to engage helping services.

The Navy suicide prevention program has been successful on a number of fronts. It builds on the premise that suicide prevention must be a local effort to be effective. Service level efforts have been designed to support local command suicide prevention programs. Navy training and communications emphasize a simple message—ACT: Ask, Care, Treat. Recent surveys show that more than 80 percent of sailors (and growing) know the acronym ACT and understand it. More than 90 percent report that they know what to do if someone talks about suicide, can explain appropriate actions to take, and believe that their shipmates will get needed help. We have an increasing number of reports from commands that describe how members either sought help for themselves or a leader, peer or family member sought assistance for the individual. We believe this is a successful element of our program based on survey results and the increasing number of reports of sailors and family members taking necessary action.

Navy policy requires commands to have written crisis response plans that itemize suicide safety precautions and appropriate actions to get emergency assistance for someone who demonstrates signs of acute suicide risk. We know of at least 2 specific instances and have several anecdotal reports that such plans made the critical difference by reaching someone in time to save their life.

In 2009, the Marine Corps redesigned its suicide prevention and awareness training with the noncommissioned officer Never Leave a Marine Behind course. A junior Marine course followed in January 2011, and officer and staff noncommissioned officer versions are expected to be released in March 2011. Marines from the operating forces were included in all stages of course development. The courses contain various degrees of training in intervention skills, frontline supervisor awareness, and managing command climate to build resilience and encourage help-seeking behavior. Marines and instructors in formal schools, such as recruit training and Corporal's course, continue to receive suicide prevention and awareness instruction.

The Corps continues to embed behavioral health providers in deploying units, and recently began providing awareness and intervention training to those who support behavioral health providers, such as medical providers, corpsmen, chaplains, and religious personnelmen. In addition, 40–50 marines in each deploying unit are offered nonmedical training in how to identify fellow marines experiencing stress reactions, and how and where to refer them for additional help if needed. It is that relationship and interaction between individual marines that is so important to maintaining a healthy force.

Our programs have many other evidence-informed elements in our suicide prevention programs including peer-to-peer training, front line supervisor training, assessment and management of suicide risk for mental health providers.

Both the Navy and Marine Corps collaborate with Office of the Secretary of Defense (Readiness), Sister Services, other Federal, and civilian agencies, to continually adapt our efforts and reflect the latest public health science; and the ever-changing needs of the Navy and Marine Corps family.

NUCLEAR FUNDING

Question. Secretary Mabus, in H.R. 1, the House has decided to protect Defense spending from massive budget cuts proposed in other departments. This includes preserving research and development funding for a new generation of Ohio class ballistic missile submarines. It cuts funding, however, for the National Nuclear Security Administration which would build the nuclear engine to power the submarines. Can you reconcile these policy choices?

Answer. Among its other missions, National Nuclear Security Administration (NNSA) enhances global security by providing naval nuclear propulsion for the most survivable leg of the nuclear triad, developing and maintaining the nuclear warheads which arm this platform, and preventing the proliferation of nuclear weapons.

The funding provided for NNSA in H.R. 1 is approximately \$1 billion less than the fiscal year 2011 request including a \$125 million shortfall for Naval Reactors' efforts. If funded at the levels in this legislation, Naval Reactors will not be able to deliver on commitments made to the Department of Navy. In particular, this bill will adversely impact the reactor design work for the OHIO Replacement Submarine and delay refueling of the Land-Based Prototype. Within NNSA, Naval Reactors has overall responsibility for the reactor plant design for the next generation ballistic missile submarine, OHIO Replacement, and its NNSA funding request will continue specific work on the reactor plant (reactor core and supporting systems). Should the funding level in H.R. 1 become law, at a minimum, there would be a:

- Six to nine month delay to the OHIO Replacement Program and resultant loss of synchronization with the Navy's work on the ship.
- Staffing reduction of over 50 personnel at shipyards and Naval Reactors' laboratories.
- Deferral in planned hiring of 150 personnel at shipyards and Naval Reactors' laboratories.
- Deferral in reactor plant component design subcontract placements.
- Other impacts to Naval Reactors, including the delays to the manufacturing demonstration of alternate core materials and fuel systems technology, the S8G prototype refueling, and a large majority of previously planned General Plant Projects (GPP).

These shortfalls are particularly damaging in the early stages of the project when we are trying to mature the design and set plant parameters that will, for the most part, refine the cost and schedule for ultimate delivery of the reactor plant to support ship construction.

Question. What impact will the cut for the nuclear engine program have on the new Ohio class ballistic missile submarine program?

Answer. A strong Navy is crucial to the security of the United States, a Nation with worldwide interests that receives the vast majority of its trade and energy via transoceanic shipment. Navy warships are deployed around the world every hour of every day to provide a credible "forward presence," ready to respond on the scene wherever America's interests are threatened. Nuclear propulsion plays an essential role in this, providing the mobility, flexibility, and endurance that today's smaller Navy requires to meet a growing number of missions. About 45 percent of the Navy's major combatants are nuclear-powered, including 11 aircraft carriers, 53 attack submarines, 14 strategic submarines (the Nation's most survivable nuclear deterrent), and 4 strategic service submarines converted to covert, high-volume, precision strike platforms.

The mission of the Naval Nuclear Propulsion Program, under DOE as Naval Reactors, is to provide militarily effective nuclear propulsion plants and ensure their safe, reliable, and long-lived operation and disposal. This mission requires the combination of fully trained U.S. Navy men and women with ships that excel in speed, endurance, stealth, and independence from logistics supply chains. Because of the Program's demonstrated reliability, U.S. nuclear-powered warships are welcomed in more than 150 ports of call in over 50 foreign countries and dependencies.

Within NNSA, Naval Reactors is responsible for naval nuclear propulsion design, technology development and regulatory oversight. The Navy sets the requirement, and Naval Reactors delivers the reactor plants.

The funding levels proposed by both the House and the Senate's year long continuing resolution would not allow Naval Reactors to honor commitments made to the U.S. Navy to deliver the OHIO class Replacement submarine on the required schedule. If no additional funding is made available to Naval Reactors, this would result in at least a 6 month deferral of planned reactor plant component design subcontracts, including development of the pressurizer, control drive mechanisms, and core and reactor component development efforts which support reactor compartment design and arrangements; a staffing reduction of over 50 personnel at Naval Reactors.

tors' laboratories and the shipyard in Groton, CT for the last 3–4 months of fiscal year 2011; and a deferral in required hiring of approximately 150 personnel at Naval Reactors' Knolls Atomic Power Laboratory in Schenectady, New York. The combination of these factors would result in a delay of at least 6–9 months to the OHIO Replacement program, and ship design and construction schedules would need to be revised and sub-optimized from their current cost minimizing approach.

Among the most significant requirements for the OHIO class Replacement is a life-of-the-ship core. To provide a life of the ship core for the OHIO class Replacement, NR needs to use an alternate cladding material. Failure to receive the full fiscal year 2011 request could prevent the required insertion of alternate core materials and fuel system technology into the Land-Based Prototype or delay the refueling schedule. For the refueling of the Prototype, Naval Reactors will test and demonstrate the manufacturability of the alternate core materials and fuel system technology required for the OHIO class Replacement life-of-the-ship core. This work must continue in fiscal year 2011 to establish production processes for the OHIO class Replacement core prior to full-scale production and procurement.

In addition to the important research and development mission this platform performs, the prototype serves as a training platform for our sailors. Delays to the refueling of the prototype will impact the readiness of our nuclear fleet by delaying training of our Nuclear qualified operators. All nuclear operators go through a rigorous initial training and qualification program that includes qualifying to operate either one of the Land-Based Prototype or one of the Moored Training Ships. During this training, operators develop a respect for the unforgiving nature of nuclear propulsion technology and, from the very beginning of their careers in the Program, develop confidence in their ability to safely operate a reactor plant. These highly trained and qualified operators are key to our record of safe and reliable operation.

The proposed funding levels are concerning on a higher level in that Naval Reactors has a long, successful track record of rigorously defining requirements and executing major projects efficiently on budget, on schedule, and of the quality demanded by complex nuclear technology that has a very high consequence of failure.

HUMANITARIAN RELIEF

Question. As evidenced by this past year's events, the U.S. military's involvement in disaster and humanitarian relief has become more and more important. I note specifically aid to Haiti both after the earthquake and the hurricane in 2010, aid to Pakistan after the 2010 floods, and most recently aid to Japan in the aftermath of the earthquake and tsunami. This type of assistance is vital to our global relationships and I applaud you for your consistent quick reaction and comprehensive support. Is the Navy-Marine Corps team adequately equipped to conduct these missions?

Answer. The Department of Navy (DON) is adequately equipped and trained to conduct Humanitarian Relief missions when called upon. This is exemplified by the recent response to the earthquake, tsunami and nuclear reactor disasters in Japan which had minimal impact on DON missions. These responses showed the flexibility of Navy and Marine Corps assets. The same platforms and the same people can conduct a wide range of missions.

Humanitarian Assistance/Disaster Relief (HA/DR) is crucial to fostering and sustaining cooperative relationships in times of calm so that during crisis previously established working relationships improve response efficiency and efficacy. We will continue to mitigate human suffering as the vanguard of interagency and multinational efforts, both in a deliberate, proactive fashion and in response to crises. Human suffering moves us to act, and the expeditionary character of the maritime forces uniquely positions us to provide assistance. With HA/DR being a core capability as outlined in the current maritime strategy, it has been, and will continue to be, part of who we are as maritime services.

Our greatest current concern related to Humanitarian Relief is the fiscal strain placed on DON by the voluntary departure of military dependents from the Island of Honshu, Japan. With an estimated cost of \$54.5 million through April 8, and the tremendous strain our sailors are already bearing due to the reduction of PCS order lead-time from 6 months down to as little as 2 months, we simply cannot absorb these costs within MILPERS accounts under the Continuing Resolution (CR). The Department has submitted a CR exception request to the President's Office of Management and Budget (OMB) for additional cash under the "Safety of Human Life" exception to fund the additional cost for travel, lodging, meals, and per diem for evacuees through April 8, 2011. This short-term solution has been approved by OMB. The annual funding picture remains unresolved and a full year funding strat-

egy cannot be determined until congressional action on the fiscal year 2011 President's budget is complete. We appreciate any help you can provide on this matter.

Question. What kind of training do our sailors and marines receive with respect to humanitarian missions?

Answer. The Navy established Humanitarian Assistance and Disaster Response (HA/DR) as a core capability of our Maritime Strategy. As such, it is now a competency that is woven into the fabric of daily naval operations. The conduct of Global Maritime Partnership missions, as well as other partner building activities, connect development and diplomacy priorities to fleet-planned activities. When disasters occur, the Navy's globally distributed and regionally concentrated forces are ideally suited for HA/DR operations in the littorals where the preponderance of the world's population resides. Naval forces can quickly respond to security related crisis operations in large measure due to how naval forces are trained, organized, deployed, and employed. The Department of Navy (DON) sailors and marines provide support for humanitarian missions by performing functions which are already part of their daily Service mission.

Two enduring missions that practice proactive HA/DR are PACIFIC PARTNERSHIP, conducted in East Asia and Oceania, and CONTINUING PROMISE, conducted in South America and the Caribbean. These missions, which are coordinated with each Country Team, build critical partner capacity and improve disaster response readiness for both our partners and our sailors through the development of habitual relationships with relevant partner ministries, departments, and officials. The deliberate day-to-day coordination of the Naval Service with international partners, joint, interagency, international, and NGO efforts strengthens relationships and sets the conditions for effective collaboration and rapid response when an in-extremis response is required.

Recently, the RONALD REAGAN Strike Group's quick response to the earthquake and tsunami in Japan highlighted the Navy's unique ability to provide expeditious humanitarian relief around the globe.

Question. Are there additional resources that would make you more efficient or effective in providing this type of assistance?

Answer. Additional resources are not required to make the Navy more efficient or effective in providing Humanitarian Assistance (HA) and Disaster Relief (DR) to emergent events such as Haiti, Pakistan, and Japan. These operations are the core capabilities of the Navy's maritime Strategy.

HA/DR is funded by Overseas Humanitarian, Disaster and Civic Aid (OHDACA) funds approved by Office of Secretary of Defense (OSD). OSD authorizes designated Combatant Commanders (COCOM) to render assistance, including transportation of personnel and supplies, assessments of affected areas and purchase of relief supplies in coordination with U.S. Agency for International Development (USAID)—lead agency for Disaster response.

With no timetables for disasters, DR cannot be budgeted and OHDACA reimburses Navy for use of OMN funds to support HA/DR operations.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

SHIP TO SHORE CONNECTOR

Question. Secretary Mabus, the Navy is in the middle of the process of choosing a contractor for a new Ship to Shore Connector (SSC) to replace the LCAC's that currently move equipment between ships and the shore. As the Navy prepares to evaluate the two proposals that are expected at the end of this month, can you explain how the Navy will take into account Total Ownership Costs as it makes its decision?

Answer. The exact number of proposals which will be received for the Ship to Shore Connector (SSC) is unknown. An Offeror's proposal will be evaluated in accordance with the criteria set forth in the final Request for Proposals (RFP). Currently, in the draft RFP, Total Ownership Cost (TOC) is included in the technical evaluation of the Offerors' Detail Design and Engineering Approach, as well as Build Approach.

The evaluation process will consider, among other things, an Offeror's top three TOC reduction initiatives inherent in their proposed approaches to developing the SSC Detail Design and producing the resultant craft. This will be part of the overall best value determination.

Question. Is there a defined process for considering Total Ownership Costs (TOC)? If so, how does that work?

Answer. Yes, for this solicitation there is a defined process for considering Total Ownership Costs outlined in the draft Ship to Shore Connector (SSC) Request for Proposal (RFP) released on March 1, 2011 via a FedBizOps announcement.

According to the draft RFP, evaluation factors include non-price (technical evaluation) factors and a price factor. These factors will be used to evaluate the extent to which proposals address, and meet or exceed, the requirements of the SSC solicitation. These evaluation factors are as follows:

—Technical Evaluation: Factor 1—Detail Design and Engineering Approach; Factor 2—Build Approach; Factor 3—Management Approach; and Factor 4—Past Performance.

—Price Evaluation: Factor 5—Price.

Total Ownership Cost is included in the technical evaluation of Factor (1), Detail Design and Engineering Approach, and Factor (2), Build Approach. For Factors (1) and (2), the evaluation process will consider, among other things, an Offeror's top three Total Ownership Cost (TOC) reduction initiatives inherent in their proposed approaches to developing the SSC Detail Design and producing the resultant craft. The corresponding technical factors will then be assigned an adjectival rating, which will be part of the overall best value determination.

Question. What are some examples of TOC initiatives in acquisition programs?

Answer. Total Ownership Costs (TOC) reduction initiatives include the following areas: Training, Maintenance, Energy Usage, Supply Support, Configuration Management, Operations, Environmental Impact, and Craft Disposal.

Some examples of TOC reduction initiatives in surface shipbuilding programs include:

—The T-AKE contract was awarded on the basis of TOC, not primarily acquisition costs. In addition, a formal TOC reduction program was instituted which incorporated design features projected to save over \$700 million over the life of the class. The ship is outfitted with an integrated electric drive that allows for optimum fuel economy over the full range of operation.

—The Mobile Landing Platform design leverages an existing production design (General Dynamics NASSCO's BP Tanker). As a result, program risk was greatly reduced and coupled with requirements tradeoffs, the Navy saved over \$2 billion.

—Provided Auxiliary Propulsion System in LHD 8 and LHA 6.

—Reduced permanent manning levels in LPD 17 class, DDG 1000 and Littoral Combat Ship programs.

—Combined Government Furnished Equipment (GFE) buy across the ship classes for the Commercial Broadband Satellite Program (CBSP). The DDG 113 Advance Procurement, T-AKE and JHSV planned buys were adjusted to take advantage of the stepped pricing structure of the CBSP equipment contract, which resulted in approximately \$1.4 million in savings per system.

—Issued Stern Flap Modification for DDG 79–112, resulting in a total savings through the 35-year life span.

—Deleted the port anchor and forward kingpost on DDG 113 and follow-on ships.

—Combined GFE buys for machinery control system between DDG Modernization and DDG 113 and follow-on ships.

—Maximize competition for subcomponent procurements for DDG 113 and follow-on ships (e.g., Main Reduction Gears).

—Use refurbished equipment on DDG 113 and follow-on ships (e.g., High Frequency Radio Group).

Question. How does the evaluation process ensure that a competitor is not penalized for increased acquisition cost that may be necessary for a TOC initiative that will dramatically reduce operating or maintenance costs?

Answer. For Ship to Shore Connector (SSC), an Offeror's proposal will be evaluated based on four non-price (technical) factors and a price factor. Total Ownership Cost is included in the technical evaluation of Factor (1), Detail Design and Engineering Approach, and Factor (2), Build Approach.

For Factors (1) and (2), the evaluation process will consider, among other things, an Offeror's top three Total Ownership Cost reduction initiatives inherent in their proposed approaches to developing the SSC Detail Design and producing the resultant craft. The corresponding technical factors will then be assigned an adjectival rating, which will be part of the overall best value determination. A best value determination is based on an assessment as to which proposal demonstrates the greatest technical merit at a reasonable cost.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

P-8A BASING

Question. In the President's budget for fiscal year 2012, no money was included for military construction projects at Naval Air Station Whidbey Island to begin preparing the facility for P-8A aircraft basing. When does construction on the necessary MILCON projects need to begin in order to have NAS Whidbey prepared to receive aircraft by 2017?

Answer. Naval Air Station (NAS) Whidbey Island is currently planned to transition to P-8 outside the FYDP, in 2017 or later. Preliminary design and subsequent construction would require approximately 3 years to complete prior to P-8 arrival. As the P-8 program matures and delivery schedules, operational employment, and transition plans are implemented, the specific timeline will be determined.

Question. What construction projects are required to upgrade the base and how much do they cost? Has the Navy given any consideration to less expensive alternatives for military construction at Whidbey?

Answer. Naval Air Station (NAS) Whidbey Island is currently planned to transition to P-8 outside the Future Years Defense Plan, in 2017 or later. To support P-8 operations, approximately \$330 million would be required for a 3-bay P-8 hangar, a Fleet Training Center, and P-8 related base infrastructure modifications. The Navy will continue to give consideration to less expensive alternatives such as reuse and or consolidation of existing facilities at NAS Whidbey Island as the transition to P-8 progresses.

Question. When will the Navy make a final decision regarding whether or not to follow the ROD?

Answer. The 2008 Record of Decision (ROD) is the Navy's current guidance for long term basing of the P-8 force. The ROD identified five operational squadrons and one Fleet Replacement Squadron at Naval Air Station (NAS) Jacksonville, Florida; three squadrons in Marine Corps Base Hawaii (MCBH) Kaneohe Bay; and four squadrons in NAS Whidbey Island, Washington. Within the current Future Years Defense Plan (FYDP), P-8 will be introduced in NAS Jacksonville and MCBH Kaneohe Bay. NAS Whidbey Island is currently planned to transition to P-8 outside the FYDP, in 2017 or later. Unless otherwise amended by a new ROD, NAS Whidbey Island will continue to support Airborne Electronic Attack, Fleet Reconnaissance, and Maritime Patrol squadrons.

Question. What justification (both budget and strategic) would support an alternate basing plan for stationing P-8A aircraft only at Jacksonville and Kaneohe Bay? And, are those facilities able to sustain the additional four squadrons that would have been based at Whidbey?

Answer. The 2008 Record of Decision (ROD) is the Navy's current guidance for long term basing of the P-8 force. NAS Whidbey Island is currently planned to transition to P-8 outside the FYDP, in 2017 or later. Unless otherwise amended by a new ROD, NAS Whidbey Island will continue to support Airborne Electronic Attack, Fleet Reconnaissance, and Maritime Patrol squadrons. Any change to the ROD to station four operational squadrons in NAS Whidbey Island would require strategic, fiscal, environmental, and facilities assessments to address impacts across the force.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

AEGIS BALLISTIC MISSILE DEFENSE

Question. Secretary Mabus, the Navy has assumed the lead for the first phase of the European missile defense plan. This first phase began last Monday with the USS *Monterey* beginning a 6 month deployment to the Mediterranean. With the immediate need to support the European missile defense plan along with the current demand from Combatant Commanders in other parts of the world for ships, are there enough ships available to support the ballistic missile defense mission? Can the current ship maintenance schedule support deployment of phase one and phase two of the European missile defense plan?

Answer. The Navy currently has sufficient capacity to meet the most critical demands for multi-mission surface combatants; however, Navy does not have the capacity to meet all Geographic Combatant Commander (GCC) demands for Ballistic Missile Defense (BMD)-capable ships without breaking established Personnel Tempo program limits for deployment lengths, dwell and homeport tempo.

In the near-term, surface combatants with Aegis BMD capability are allocated to GCCs through the Department of Defense Global Force Management (GFM) process taking into consideration GCC surface combatant requirements all mission areas.

The Navy employs the Fleet Response Plan (FRP) as the framework to structure, prepare and posture ready Navy forces to meet GFM requirements, to include BMD. The FRP balances the requirements to maintain and upgrade equipment, train for the full spectrum of operations and deploy in support of GCC requirements.

The required ship maintenance and Aegis Modernization plan supports the expected requirements of Phase 1 and Phase 2 of the European missile defense plan. To meet the increasing demand for these ships and reduce the risk to our long term force structure caused by the increased operational tempo from longer deployment lengths, the Navy, in conjunction with MDA, has established a plan to increase the number of BMD-capable Aegis ships from 23 in fiscal year 2011 to 41 in fiscal year 2016 (see Figure 1 below). This plan balances the need for meeting current operational requirements against the need to upgrade existing surface combatants with BMD capability to pace the future threat. Included in this plan are increases in both the Navy's capacity and capability of Aegis ships through the installation of Aegis BMD 3.6.1/4.0.1 suite, the Aegis Modernization program (Aegis BMD 5.0 suite), and new construction (commencing with DDG-113). The current Continuing Resolution (CR) and the President's budget for fiscal year 2012 may impact this plan.

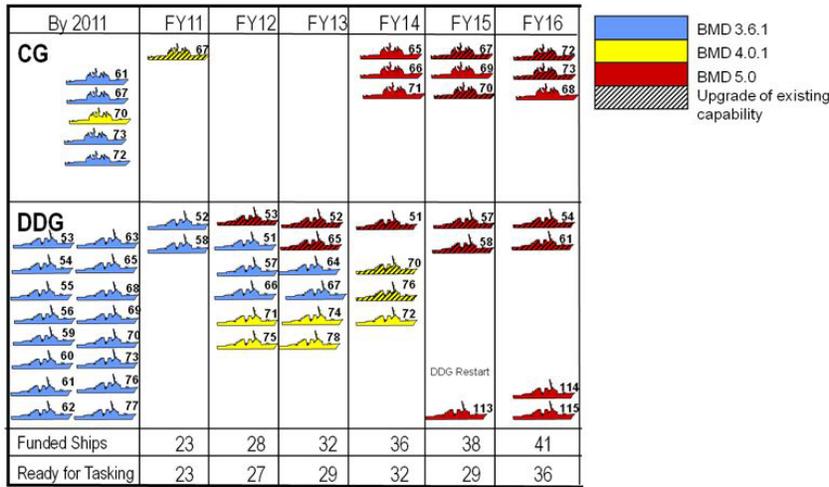


FIGURE 1.—Aegis BMD Ship Profile, Presidential budget for fiscal year 2012.

QUESTION SUBMITTED BY SENATOR SUSAN COLLINS

BRUNSWICK NAVAL AIR STATION CLOSURE

Question. The Brunswick Naval Air Station is slated to close as an active military installation on May 31, bringing to a close a proud era in naval aviation in Brunswick, Maine. The Senate Armed Services Committee has provided the necessary conveyance authorities to transfer property under BRAC quickly. Recently, several of the initial conveyance packages to Southern Maine Community College have been delayed without explanation. Buildings 151 and 512 at NAS Brunswick, which are projected to serve as the new Maine Advanced Technology and Engineering Center (MATEC) and Southern Maine Community Residence Hall respectively, are essential resources for the start of the College's upcoming Fall Semester. The property was originally scheduled to be conveyed to the College in January through the Department of Education, but the properties still remain under the Navy's control. Given that these properties require up to 6 months of redevelopment and the start of the Fall semester is August 2011, the education of students relying upon the College's new campus is in jeopardy unless this conveyance occurs in the near future. Secretary Mabus, will you review the status of this conveyance and commit to a conveyance date in the near future?

Answer. I share your desire to transfer the property to the Brunswick community as expeditiously as possible. On March 29, 2011, Navy assigned 10 acres of Bruns-

wick Naval Air Station, including Buildings 151 and 512, to the Department of Education for conveyance.

The Department of Education will conduct the conveyance of Brunswick Naval Air Station property to Southern Maine Community College through a public benefit conveyance.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

U.S. NAVY ENVIRONMENTAL REMEDIATION ON ADAK

Question. As you might be aware, environmental remediation at multiple sites on the island of Adak has been ongoing since 1986. The U.S. Navy, in conjunction with the EPA and the State of Alaska, have been working since that time to restore the lands on Adak to an environmentally stable state following the Navy occupation of those lands. While through fiscal year 2009, the Navy has spent \$289.8 million on restoration activities on Adak, it is my understanding that the Navy anticipates that another \$102.5 million would be needed to complete the restoration projects. I have been recently informed that the majority of restoration efforts that the Navy has conducted have been focused on lands that are not available for habitation or economic development by the communities on Adak. Is there a process by which the Navy determines which lands receive remediation funding and projects before others?

Answer. The Navy funds cleanup to protect human health and the environment and meet legal obligations, including agreements with States and the U.S. EPA, such as the Adak Federal Facility Agreement (FFA). For BRAC sites, cleanup schedules are also aligned with property redevelopment timelines to the best extent possible. If additional funds are made available by Congress, projects that accelerate property transfer are then considered.

Question. Does the Navy have a long term plan in place that defines which lands will be remediated and in which order?

Answer. The Navy has a plan which includes a schedule for investigation, cleanup and long-term monitoring of all Navy environmental sites on Adak. The Navy consults with the local Restoration Advisory Board (RAB) and regulatory agencies when developing and updating the plan.

Question. What is the Navy's projected timeframe for the completion of the remediation projects on Adak?

Answer. The Navy has a schedule to complete all cleanup actions by fiscal year 2016. The remedy selected for some environmental sites include long-term monitoring consisting of periodic inspection and repair of landfills, groundwater sampling and analysis, marine tissue sampling and analysis, and inspection and repair of institutional controls. Long-term monitoring requirements are documented in the Adak Comprehensive Monitoring Plan (CMP) and are scheduled to continue until fiscal year 2041.

QUESTIONS SUBMITTED TO ADMIRAL GARY ROUGHEAD

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

NAVY SHIFT IN SEA BILLETS

Question. Admiral Roughead, the Navy recently announced its plans to shift approximately 6,800 billets through fiscal year 2016 to realign them for warfighting capabilities. A portion of this shift will increase the number of sea billets while cutting shore billets. What led the Navy to initiate this shift, and what effect will this have on the ship to shore rotation of sailors?

Answer. The Navy shifted these billets from support staff to operational roles to improve warfighting readiness and support the Navy's future force and warfighting capabilities. The reduction in staff billets allowed us to increase operational, sea going billets for the LHA-7, DDG-51 class destroyers, LCS class ships, unmanned and helicopter aviation detachments to support the LCS, Virginia class submarines, new E-2D Advanced Hawkeye aircrews, and the outfitting of an additional Riverine Squadron.

With Navy's increased focus on enhancing efficiencies in our operations, this will require some sailors to serve longer sea tours. The necessary realignments toward operations will likely require implementation of risk mitigation strategies to support sea intensive communities and ratings. Some of the initiatives being considered are Sea Duty Incentive Pay (SDIP), increased general shore duty billeting in recruiting

commands, and increased in-rate shore duty billets at regional maintenance centers and waterfront school houses.

Question. Are you concerned that this tighter ship to shore standard will have a negative effect on families and retention?

Answer. While sea/shore rotation does factor in to retention decisions, we do not anticipate this realignment to cause retention statistics to fall outside of historic norms. Currently, the Navy is experiencing unprecedented retention, which is expected to continue, based on current economic indicators. Disregarding the current positive impact of the economy and the high operational tempo, 65 percent of sailors beyond 6 years of service remain in the Navy and 80 percent of sailors with greater than 10 years of service decide to Stay Navy based on historical averages. The Navy has established maximum allowable sea tour lengths to preserve positive tone-of-the-force and to minimize retention risk.

The billet realignment was approved only after careful analysis of operational needs, fleet readiness requirements, and input from fleet sailors. The increase in manning at sea is anticipated to have positive effects that will reduce the workload of sailors currently on sea duty and increase the opportunity for sailors to obtain professional qualification through participation in Fleet operations.

We remain steadfast in our commitment to provide exceptional support to mitigate the adverse impacts families may experience during deployments. We offer a broad array of services through Navy Fleet and Family Support Centers, military medical treatment facilities, child care centers, and morale, welfare and recreation programs. These, coupled with ready access to command ombudsmen and referral services through Military OneSource, provide a network of support to sustain families enduring the hardships associated with prolonged family separations while their loved ones are away.

AEGIS MISSILE DEFENSE

Question. Admiral Roughead, Aegis cruisers and destroyers provide a crucial capability for conducting ballistic missile defense operations. The administration's Phased Adaptive Approach (PAA) for ballistic missile defense operations includes operating Aegis ships in European waters. Do you have sufficient resources to carry out this additional mission?

Answer. The Navy currently has sufficient capacity to meet the most critical demands for its multi-mission Aegis ships; however, we do not have the capacity to meet all Geographic Combatant Commander (GCC) demands for Ballistic Missile Defense (BMD) without exceeding established Personnel Tempo program limits for deployment lengths, dwell tempo, or homeport tempo. Based on threat analysis and current indications from GCCs, and assuming standard 6 month deployment lengths, the Navy and the Missile Defense Agency (MDA) concluded that GCC demand for surface combatants with Aegis BMD capability will outpace capacity through approximately 2018.

To meet the increasing demand for these ships and reduce the risk to our long term force structure caused by the increased operational tempo from longer deployment lengths, the Navy, working in conjunction with MDA, has established a plan (see Figure 1 below) to increase the number of BMD-capable Aegis ships from 23 in fiscal year 2011 to 41 in fiscal year 2016. This plan balances the need for meeting current operational requirements against the need to upgrade existing BMD-capable Aegis ships to pace the future threat. Included in this plan are increases in the Navy's capacity and the capabilities of Aegis ships through the installation of an Aegis BMD 3.6.1/4.0.1 suite, the Aegis Modernization program, or new construction (commencing with DDG-113).

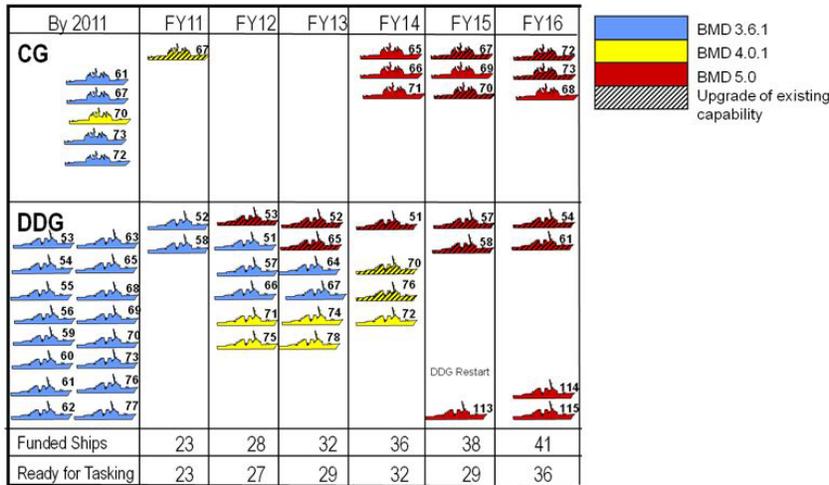


FIGURE 1.—Aegis BMD Ship Profile, Presidential budget for fiscal year 2012.

Question. Admiral Roughead, are you concerned that the heightened demand for Aegis Ballistic Missile Defense will detract from other, non-BMD missions?

Answer. With the exception of our SSBN’s strategic deterrence patrols, the Navy does not deploy ships with a single mission purpose. Single mission use of our Aegis ships for Ballistic Missile Defense (BMD) will result in shortages in other mission areas and a loss of operational flexibility for the Geographic Combatant Commanders (GCCs).

To ensure GCCs demands are met, the Navy employs Aegis ships in multi-mission roles rather than for exclusive missions on an enduring basis. These ships can perform a variety of other non-BMD missions such as strike warfare, air warfare, submarine warfare, surface warfare, information warfare, high-value asset protection, or maritime interdiction either concurrently or sequentially as the GCC requires. The Navy has created a flexible operating concept for maritime BMD which features a graduated readiness posture that allows BMD-capable Aegis ships to be on an operational tether and available for other tasking when not directly involved in active BMD operations. Aegis ships operating in support of a BMD mission do not lose the capability to conduct other missions; however, specific mission effectiveness may be affected by ships’ position and/or application of ship resources to those missions.

AEGIS BALLISTIC MISSILE DEFENSE OPERATIONS

Question. Admiral Roughead, the USS *Monterey* recently deployed as the first asset in European missile defense. Could you provide the Committee with an update on those operations?

Answer. While the Navy has previously deployed BMD-capable ships to the European region, USS *Monterey* is the first deployed BMD-capable multi-mission ship to support the European Phased Adaptive Approach (EPAA). This deployment will lay the foundation for the EPAA, by developing a better understanding of what is necessary to execute ballistic missile defense from the sea in Europe and how to operate in coordination with Allies and partners.

USS *Monterey* will engage with our NATO Allies and European partners to promote the U.S. commitment to the EPAA mission and the broader U.S.–NATO theater security cooperation efforts. To date, this engagement included participation in the NATO Air Defense Committee conference in Antwerp, Belgium and future engagements are planned with our Allies and partners in the Black Sea and Eastern Mediterranean.

During her deployment, USS *Monterey* will continue integration and testing of U.S. BMD capabilities with NATO’s existing missile defense framework, including the emerging NATO command and control network.

As a BMD-capable multi-mission ship, USS *Monterey* also remains ready to provide a wide range of capabilities enabling her to promote peace and security, pre-

serve freedom of the seas and provide humanitarian aid and disaster response as necessary.

BOW WAVE IN SHIP PROCUREMENT

Question. Admiral Roughead, the Navy's stated force structure goal is 313 ships. However, your most recent 30-year shipbuilding plan submitted to Congress shows that beginning in fiscal year 2027, the Navy fleet will fall well below that number and drop to less than 290 ships. What steps are you taking to mitigate these projected shortfalls?

Answer. With the need for multi-mission platforms vice single mission platforms, and recognizing the significantly increased capabilities of current new construction ships, the Navy cannot recapitalize our battle inventory to replace its legacy ships at the same rate at which they were originally procured in the 1980s and 1990s and maintain an affordable, balanced procurement plan. To manage this inventory issue with our current fiscal constraints, the Navy will manage the service lives of our existing ships through modernization and maintenance over the Future Years Defense Plan and into the 2020s to mitigate the impact of the upcoming block obsolescence of the ships procured in large quantities during the 1980s. This management approach will minimize gaps in capacity through the 2020s in a cost efficient manner. To enhance our combat capability for our existing ship designs we will continue our spiral capability upgrades to prevent technological obsolescence and to extend the service lives of specific ship classes. Both of these initiatives will mitigate the decline in our battle force inventory during the 2020s and early 2030s.

During the period fiscal year 2031 to fiscal year 2040, we have assumed a procurement strategy based on sustaining procurement rates. Wherever feasible, the Navy will procure new ships at a steady state reducing the magnitude of annual funding variations and providing a more stable demand to industry. In some cases, where rapid retirement rates are anticipated, it may be necessary to start procurement of next generation ships earlier than might otherwise be required or accept "bathtubs" in certain ship classes until procurement rates catch up with retirement of ships procured during the 1980s. As requirements, resources and the industrial landscape come into better focus for the post-2020 timeframe, the Navy will continue to consider mitigation strategies for these anticipated shortfalls in future plans.

Question. Admiral Roughead, the Congressional Budget Office estimates that the Navy's ship procurement budget is 19 percent below what is required to execute your current 30-year shipbuilding plan. Do you agree with this assessment?

Answer. No, I do not agree with this assessment. Navy's anticipated annual procurement budget averages about \$15.9 billion in fiscal year 2010 per year over the 30 year shipbuilding plan period. This average includes those funds necessary to recapitalize the OHIO Class ballistic missile submarines. The Navy and Congressional Budget Office (CBO) estimates for the near-term (fiscal year 2011–fiscal year 2020) reflect a less than 5 percent difference. Given known ship capability and quantity requirements, the Navy cost estimates are judged to be accurate in this period.

What has driven the 19 percent difference in our estimates has been the far term (fiscal year 2031 to fiscal year 2040) where CBO and Navy estimates differ by 37 percent. The requirements during this period are not as well defined as those for the near or mid-term. The CBO made several different assumptions than the Navy in its assessment, particularly in the far-term. Those differences result partly from different methods of estimating shipbuilding inflation during the period as well as different assumptions about the design and capabilities of future ships. The number, types and capabilities of ships are estimated based on anticipated Joint and Navy war-fighting requirements, and cost estimates are fluid due to both the uncertainty of business conditions affecting the shipbuilding industry and the inherent technology costs of future combat systems.

There are several uncertainties that must be resolved regarding the Navy's missions in the next decade; the relative threat levels that will exist at that time and the extent to which we will adjust the force to meet these challenges. Each of these issues will have a direct bearing on the overall costs required to recapitalize this force. Ultimately, this will require that we set funding priorities properly, adjust capabilities in the ships being built and readdress risk in those mission areas where appropriate. We must and will continue to conduct thorough reviews of each facet of our budget to ensure we are providing the Nation with the needed level of capability in all areas in the most cost efficient manner.

Question. Admiral Roughead, do you intend to provide an updated long-range shipbuilding plan to Congress this year?

Answer. No, we do not intend to submit an updated long range shipbuilding plan to Congress. Section 231 of Title 10, United States Code (section 231) was amended by the National Defense Authorization Act for fiscal year 2011, deleting the requirement for the Secretary of Defense (SECDEF) to submit with the Defense Budget an annual long-range plan for construction of naval vessels commonly know as “The 30-Year Shipbuilding Plan”. As amended, section 231 now requires that concurrent with submission of the President’s budget (PRESBUD) during each year in which SECDEF submits a Quadrennial Defense Review (QDR), the Secretary of the Navy (SECNAV) shall submit a long-range shipbuilding plan that supports the force structure recommendations of the QDR and will be assessed by Cost Assessment and Program Evaluation Office (CAPE) to determine if the level of funding is adequate and determine potential risk in supporting the requirements of the Combatant Commanders.

In any year in which a QDR is not submitted and the number of ships decreases in the Future Years Defense Plan (FYDP), SECNAV shall submit an addendum to the most recent QDR that fully explains and justifies the decrease.

Consistent with the amended section 231, the Navy does not intend to submit an updated long-range shipbuilding plan to Congress this year because the number of ships has increased with the PRESBUD 2012 Future Years Defense Plan (FYDP); however, we are providing updated 10-year data tables per the House Committee of Armed Services request of February 15, 2011.

EFFECTS OF CONTINUING RESOLUTION ON MILITARY PERSONNEL

Question. Admiral Roughead and General Amos, how has the series of short-term continuing resolutions negatively affected the Navy and Marine Corps’s ability to manage its military personnel accounts? For example, how much notice is being given for sailors and marines to prepare to move to their next assignment, and what is the goal?

Answer. Operating the military personnel accounts under a series of short-term continuing resolutions (CR) and reduced funding has presented many execution challenges. Under the full year CR, the Military Personnel, Navy (MPN) appropriation is underfunded by \$415 million. This shortfall is due to the difference between the annualized amount of the fiscal year 2010 appropriation and the requested fiscal year 2011 President’s budget. Additionally, the MPN account is underfunded by an additional \$41 million from additional requirements and work in the year of execution resulting from high retention. The added costs associated from the evacuations of Japan and Bahrain, as well as Operation Odyssey Dawn, will further pressurize the MPN account.

To preserve cash to pay our sailors and civilians and to avoid an Anti-Deficiency Act (ADA) violation, the Navy deferred 20,000 Permanent Change of Station (PCS) moves and reduced lead times from 6 months down to 2 months. Lack of lead time on PCS orders hurts military families as they have less time to plan for major life changes associated with moves (i.e. home sales, lease expirations, overseas screening, uncertainty, etc). Historical goals for lead time are approximately 4 months for CONUS moves and 6 months for overseas moves.

Navy has also reduced Active Duty for Operational Support Orders (ADOS) by \$20 million. ADOS is used to facilitate emergent, unplanned and non-recurring short term projects. This reduction restricts our ability to support Fleet operations.

NAVY CYBERSECURITY AND THE TENTH FLEET

Question. Admiral Roughead, as you know, cyber security is one of the most significant challenges facing our Nation today. Modern warfare has become highly dependent upon computers and networks; therefore protecting this capability is vitally important. Could you explain the cyber security initiatives in the budget, and what are the near-term priorities you have established for this critical mission area?

Answer. The Navy’s focus in cyber security is on delivering game-changing information capabilities that advance our operational proficiency in cyberspace and enhance our other information capabilities. Navy is improving its cyber-security by implementing an improved Defense in Depth infrastructure that is aligned to the Department of Defense (DOD) Information Assurance Boundary Architecture. In our PB 2012 budget request, we include the following cyber security initiatives:

—*Computer Network Defense (CND).*—This program’s capabilities secure Navy networks and information systems. This program oversees our firewall components, Virtual Private Networks (VPNs), Intrusion Prevention/Detection Systems, Boundary Protection, Host Based Security System (HBSS), Administrator Access Controls, and diverse network security tools and filtering routers.

- Cyber Security Inspection and Certification Program (CSICP)*.—CSICP provides the capability to detect vulnerabilities in Navy networks, provide assistance to network operators to correct and prevent vulnerabilities, and ensure compliance with Navy and DOD Information Assurance directives.
- Communications Security (COMSEC)*.—The Navy's cryptographic equipment procurements are facilitated through these accounting lines and include procurement of KIV-7M, a replacement cryptography suite, Cryptographic Universal Enclosures (CUE), and various other cryptographic devices.
- DOD-wide deployment of PKI certificates for identity authentication.
- Procurement of secure voice tactical hardware, Next Generation Internet Protocol Phones and Navy, and Certificate Validation Infrastructure Cards.
- Electronic Key Management System (EKMS) upgrades and initiatives for web based order support.
- Secure Communication Interoperability Protocol (SCIP) Inter-Working Function (IWF) capabilities to provide sea-shore secure telephony communications.

Question. Admiral, what advantages do you anticipate as a result of classifying your Cyber Command as a weapons system?

Answer. Last year, I established the U.S. Tenth Fleet and the Deputy CNO for Information Dominance. This restructuring has enabled the Navy to focus on enhancing our capabilities in electronic warfare and cyber operations. However, Fleet Cyber Command/U.S. Tenth Fleet is not considered a weapons system. It is a Navy component command that executes its unique cyber capability at the operational level of war through the forces under the command of Tenth Fleet. This approach has provided an alignment of effort through the use of a single operational commander for Cyber operations that is responsible for the orchestration of the Navy's global resources and activities in cyberspace.

Question. Admiral, recently you turned on a new system that gives the Navy its first real-time view of all traffic into and out of the networks. What have you learned about the health of your network since initiating the use of this system?

Answer. We are learning a tremendous amount about the trends and patterns of information flow. The insights from our trend analysis and the new data on information flow has allowed us to characterize network activity faster and allows us to recognize areas that require further analysis earlier.

NEXT-GENERATION BALLISTIC MISSILE SUBMARINE

Question. The Navy has initiated a program to replace the Ohio-class submarines beginning in 2029, but concerns have persisted about the price tag of the replacement. These submarines are an indispensable part of our nuclear triad, and it is important that we have them ready on schedule at an affordable cost. Admiral Roughead, could you comment on the steps that are being taken to make sure that this program does not suffer the all-too-common problems of being over budget and past schedule?

Answer. Through thorough research by the Navy and OSD on the history of the last 50 years of survivable sea-based strategic deterrence, we have been able to determine the high-level baseline ship characteristics to establish affordability goals to be used during ship design for the OHIO Replacement (OR). This early and well understood basis for all requirements is necessary to prevent cost growth and control costs.

The Department is committed to provide the required and proper level of investment in up-front research and development to mature critical technologies and prove construction techniques to support lead ship construction. The use of appropriately mature technologies will be a major driver in controlling construction costs while recapitalizing the SSBN fleet. Likewise, achieving a sufficient level of maturity in the overall design will be critical to cost effective construction. Where practical, OR will use existing VIRGINIA Class technologies and components.

The OHIO Replacement Program will leverage design and construction lessons learned from the VIRGINIA Class to continue our ongoing and highly successful cost reduction initiatives. In addition, Navy will leverage the same design contract strategies from VIRGINIA to ensure OR is designed and procured at the lowest possible cost. The Navy is investing an additional \$50 million/year in fiscal year 2012–fiscal year 2014 to enhance designing the OR for affordability. The Design for Affordability (DFA) effort will be a joint Government and Shipbuilder effort focused on reducing Total Ownership Costs. The DFA process will specifically target reductions in lead ship Non-Recurring Engineering (NRE) cost, reducing construction time and cost, balancing acquisition and lifetime operations and support (O&S) costs, and the process will provide shipbuilder research & development incentives

based on validated proposals for cost estimate reductions, DFA design schedule, and additional cost reduction initiatives.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

CHINESE MILITARY ADVANCES

Question. Admiral Roughead, we have recently seen a great deal of discussion about China's development of a new anti-ship missile, the DF-21D or "carrier killer" which is intended to hit a well-defended target, such as one of our carriers, with pinpoint accuracy. The concern is that such a missile will put our carriers at risk and hamper the Navy's ability to intervene in a conflict over Taiwan or North Korea. Vice Admiral Scott van Buskirk, commander of the U.S. 7th Fleet, downplayed concerns about the missile noting that it was just "one weapons system, one technology that it out there." What is your assessment of the threat this weapon poses to our carrier fleet?

Answer. The DF-21D Anti-Ship Ballistic Missile (ASBM) is but one system in China's arsenal that challenges naval operations in contested areas. To successfully employ an ASBM, or any long-range maritime weapon, China needs a robust command, control, communications, computers, intelligence, surveillance and reconnaissance (C⁴ISR) capability to find and relay targeting information to decision makers and firing units. While China operates a wide range of ISR assets, the aggregation of near-real-time information that is required for the PRC to move quickly from initial detection to engagement is a highly complex problem, especially against one of our aircraft carriers that would be maneuvering at sea. Additionally, the Navy has made significant investment in kinetic and non-kinetic capabilities to counter anti-ship ballistic missiles and advanced cruise missiles, including increased investment in Aegis modernization, which will upgrade our existing Aegis technology to continually improve our Integrated Air and Missile Defense capability. More details in response to this question are best provided in a classified setting.

Question. What is the U.S. response?

Answer. The Navy has made significant investment in kinetic and non-kinetic capabilities to counter the threat of anti-ship ballistic missiles and advanced cruise missiles, including increased investment in Aegis modernization, which will upgrade our existing Aegis technology to continually improve our Integrated Air and Missile Defense capability. A more detailed response to this question is best provided in a classified setting.

Question. What other challenges to the U.S. Navy's presence in the Pacific do you see arising from China and how should we respond?

Answer. There are an increasing number of foreign capabilities, including those of China, that have the potential to slow or disrupt the deployment of friendly forces into a theater or cause our forces to operate from distances farther from a conflict than desired. Capabilities that impact our forces in this manner are termed "anti-access" capabilities and include long-range, precise, anti-ship and land attack ballistic and cruise missile systems; advanced combat aircraft and electronic warfare technologies; advanced Integrated Air Defense systems; submarines and subsurface warfare capabilities; surface warfare capabilities; C⁴ISR capabilities, and cyber warfare technologies. The Navy has and will continue to develop programs and capabilities to address the anti-access environment emerging in the Western Pacific and other theaters of operation. Accordingly, we are mindful of the need to be prepared to respond to all challenges by strengthening our alliances and partnerships, modernizing our forces, fielding new capabilities and technologies, and developing new operational concepts.

NAVAL TACTICAL AIRCRAFT SHORTFALL

Question. In June 2009, the Navy testified to Congress that its aircraft fleet was facing a potential shortfall of 243 tactical aircraft in the next decade. We understand that the less than 2 years later, the Navy is now stating a shortfall of only 65 aircraft. I am interested in how the Navy determined this new shortfall estimate. Has the Navy assumed additional risk in order to reduce the shortfall? If so, what are those risks?

Answer. Based on the 2012 President's budget, the Department of the Navy projects it will experience a peak inventory shortfall of 65 aircraft in 2018, should the following conditions exist: accelerated transition of 10 F/A-18 legacy Hornet squadrons into Super Hornets; the service life extension of approximately 150 legacy Hornets; and procurement of a total of 556 F/A-18E/F Super Hornets. This aircraft shortfall is manageable.

Question. What are the practical consequences of the strike fighter shortfall?

Answer. Based on the 2012 President's budget, the Department of the Navy projects it will experience a peak inventory shortfall of 65 aircraft in 2018, should the following conditions exist: accelerated transition of 10 F/A-18 legacy Hornet squadrons into Super Hornets; the service life extension of approximately 150 legacy Hornets; and procurement of a total of 556 F/A-18E/F Super Hornets. This aircraft shortfall is manageable.

Question. What is the Navy doing to mitigate this shortfall?

Answer. Based on the 2012 President's budget, the Department of the Navy projects it will experience a peak inventory shortfall of 65 aircraft in 2018, should the following conditions exist: accelerated transition of 10 F/A-18 legacy Hornet squadrons into Super Hornets; the service life extension of approximately 150 legacy Hornets; and procurement of a total of 556 F/A-18E/F Super Hornets. This aircraft shortfall is manageable.

SHIPBUILDING

Question. Admiral Roughead, your budget request includes funding for 10 ships in fiscal year 2012 with a total of 50 ships over the Future Year Defense Plan. Will this production rate support your stated goal of a 313 ship Navy?

Answer. Yes. The Navy plans to procure a total of 55 ships in the PB 2012 Future Years Defense Program (FYDP), an increase of 5 from last year's plan. This production rate will reach a battle force inventory of 313 ships in the near-term (fiscal year 2011-fiscal year 2020) reaching 315 ships in fiscal year 2020. President's budget (PB) 2012 achieves a balanced and executable shipbuilding program which provides additional capability while gaining stability and efficiency in the shipbuilding industrial base.

Question. How will the current set-backs related to the constraints of the Continuing Resolution affect the fiscal year 2012 procurement rates?

Answer. Without the fiscal year 2011 requested SCN budget, the future build plan for shipbuilding, including fiscal year 2012, would have to be reprioritized and re-phased. There could be future cost impacts attributed to revised workload at major shipbuilders, rate increases associated with protracted schedules, and inefficient procurement of major systems. There are secondary impacts to the Navy as delays in delivery could result in delays to initial operating capabilities or the ability to retire fleet assets as planned. Under the CR, the inability to increase procurement quantities, initiate new starts, increase funding levels, or reallocate funding constitutes a considerable impact to the FYDP for shipbuilding.

Currently, the Navy plans to procure a total of 55 ships in the fiscal year 2012 President's budget FYDP with 10 ships budgeted in fiscal year 2012. The CR's limitation in the shipbuilding program to the fiscal year 2010 funding levels and procurement quantities negatively impacts Navy's fiscal year 2011 build program. Specifically, the CR prohibits the procurement of a second Virginia Class Submarine, a second DDG-51 Class Destroyer, a LHA replacement amphibious ship, an oceanographic ship, a Mobile Landing Platform, and several smaller programs. Available funding under the CR does not provide required advanced procurement funding for future platforms to include the Carrier Replacement and Carrier Refueling Overhaul Programs, nor does it provide the final increment of funding required for the CVN 78.

Question. How will the Navy mitigate those effects?

Answer. In developing our shipbuilding plan, we assessed risk mindful of the uncertainties of the future to achieve the best balance of missions, resources and requirements possible for our PB 2012 Navy procurement request.

PB 2012 achieves a balanced and executable shipbuilding program which provides additional capability while gaining efficiency in the shipbuilding industrial base. The Navy has requested to procure a total of 55 ships in the PB 2012 FYDP, 5 more than last year due to our efficiencies and acquisition strategies. This request includes ten ships in fiscal year 2012. These ships include: a continuation of the fiscal year 2010 restart of the DDG 51 program, with an additional ship in fiscal year 2014; an additional Littoral Combat Ship (LCS) in fiscal year 2012 to support an acquisition strategy of two 10 ship block procurements from each contractor, continuation of the SSN 774 program at two ships per year through fiscal year 2016; acceleration of the new Mobile Landing Platform (MLP) program aimed at increasing the capacity and capability of the existing Maritime Prepositioning Ship (MPS) fleet; continuation of the CVN 78 program; procurement of the eleventh LPD 17 ship, meeting the Marine Corps lift requirements for this class of ship; and a substantive increase in the Navy's ability to meet theater cooperation demands and intra-theater lift requirements through capitalization of a more robust Joint High

Speed Vessel (JHSV) program. Overall, the fleet additions represented by the additions to the PB 2012 FYDP will position the Navy to meet its obligations and mission requirements through the next decade.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

GREAT GREEN FLEET

Question. Has the composition and homeport of the Great Green Fleet been decided?

Answer. No final decision regarding the composition of the Great Green Fleet has been made. The individual Navy units that would deploy in 2016 have not been identified, but the Great Green Fleet will be composed of ships from various home ports. As such, it will not have a single home port.

Question. Will the fiscal year 2011 Continuing Resolution impact the timeline for the 2012 Green Strike Group? If so, what specifically will be impacted?

Answer. The continuing resolution (CR) necessitated the reprogramming of \$5.5 million above the \$4.5 million received in fiscal year 2010. This reprogrammed funding for fiscal year 2011 was not received until April 2011, causing schedule delays to the program. Currently Navy has received \$10 million of \$10.8 million programmed for the testing and certification needed to support the Great Green Fleet. Efforts are ongoing to identify avenues to mitigate delays. Navy plans to be back on track within the next 3 months to complete the fuel certification required for ship and aircraft systems to conduct the demonstration of the Green Strike Group in 2012.

Question. Where is the Navy getting the fuel currently being used for testing? When does the Navy think the fuel will be ready for certification?

Answer. The Navy receives all of its fuels through the Defense Logistics Agency—Energy through competitive procurement. The test and certification process of the fuels necessary for the Great Green Fleet is currently underway. Current funding puts the Navy on track to complete the fuel certification required for ship and aircraft systems to conduct the demonstration of the Green Strike Group in 2012.

Question. After the 2012 test, is the Navy planning to transition more bio-fuels capability to the fleet or will that occur after the 2016 demonstration?

Answer. The Navy plans to use certified, cost-competitive alternative fuels as they become available. If certified bio-fuels are commercially available at a competitive price earlier than the objectives set by the Secretary of the Navy, the Navy will pursue their competitive procurement.

Question. What is the cost to modify ship and aircraft engines to use bio-fuels instead of conventional? What are the potential long term savings for using a renewable energy source for fuel?

Answer. There is no need to modify ship and aircraft engines to use bio-fuels instead of conventional fuel. Navy requires alternative fuel suppliers to engineer the fuel so that it closely mirrors the current fossil fuels of F-76 and JP-5; the fuels are a 'drop-in' replacement for 100 percent petroleum and can be mixed freely with it. There is a potential for long-term cost savings by using renewable biofuels if the cost of petroleum keeps rising and eventually exceeds the declining cost to produce biofuels.

Question. Does the Navy have any plans to add hybrid tugs to the Fleet? If so, what is the timeframe by which they intend to acquire them?

Answer. The Navy does not currently have any plans to add hybrid tugs to the Fleet.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

HIGH PERFORMANCE COMPUTING

Question. Admiral Roughead, The Naval Meteorology and Oceanography Command and its associated supercomputing capability have proven to be valuable assets in a host of mission areas including ocean modeling, weather modeling, and disaster relief, such as, the Gulf oil spill last year. Can you describe for the Committee the importance of Supercomputing capacity and how it has assisted the Navy in accomplishing its mission?

Answer. The Department of the Navy utilizes High Performance Computing (HPC) resources to accelerate development and transition of advanced defense technologies into superior war-fighting capabilities, and to support our operational needs. Specifically, the Navy Research, Development, Test, and Evaluation

(RDT&E) community utilizes HPC assets for modeling and simulation. HPC allows the Navy to develop physics-based simulations, which create realistic warfare environments that allow us to evaluate the performance of new technologies and tactics in real-time. The simulated environments enabled by HPC are essential, especially in cases where no test range exists to emulate combat environments, where physical testing has unacceptable safety risks, where physical testing is prohibitively expensive, and where we have to rapidly test new systems to counter emerging threats in ongoing conflicts. HPC allows us to conduct classified and unclassified early advanced research, and it reduces the cost, acquisition time, and risk for our major defense programs by optimizing the mix of simulation with physical testing. The use of HPC enables Navy's RDT&E infrastructure to deliver necessary capabilities to our sailors faster and cheaper.

The Navy also relies on HPC to support our operations. The Naval Oceanographic Office (NAVOCEANO) relies on HPC resources for operational oceanographic applications, including numerical ocean prediction, and our Fleet Numerical Meteorology and Oceanography Center (FNMOC) greatly benefits from HPC resources that support R&D and production of operational products designed to keep Navy assets safe from weather threats.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

PHALANX CLOSE-IN WEAPON SYSTEM

Question The Phalanx Close-In Weapons System is an important aspect of our naval defense, protecting our sailors and marines against threats ranging from anti-ship missiles to small boats and unmanned aerial vehicles. I am informed that the Navy has recognized the importance of this system by investing \$1.42 billion to upgrade 252 Phalanx mounts to the appropriate configuration. In your letter to me dated December 3, 2010, you stated that to maintain these systems the Navy needed to begin funding 36 overhauls per year, starting with the fiscal year 2012 budget. I see that the fiscal year 2012 budget request includes funding for only three Phalanx overhauls in a year, which would take the Navy 80 years to complete. Given the clear safety and security implications for our sailors and marines, what is the Navy's plan to meet this shortfall in fiscal year 2012?

Answer. Navy continues to procure and install Phalanx Block 1B systems at an accelerated pace and is on schedule to have 252 Phalanx Block 1B mounts in service by fiscal year 2014. This accelerated schedule of installations replaces normal Class "A" overhauls necessary to maintain system reliability and maintenance. We will complete Phalanx Block 1B upgrades as follows: 37 in fiscal year 2011; 29 in fiscal year 2012; 21 in fiscal year 2013; 55 in fiscal year 2014. As a result of this accelerated upgrade plan, the fiscal year 2011 CIWS maintenance backlog (all variants) will decrease from 60 systems today to less than 40 systems in fiscal year 2014.

Question And is there any progress being made to re-prioritize this overhaul in future years?

Answer. We are not planning to adjust our approach to the Phalanx Close-In Weapons System. The Navy continues to procure and install Phalanx Block 1B systems at an accelerated pace and is on schedule to have 252 Phalanx Block 1B mounts in service by fiscal year 2014. This accelerated schedule of installations replaces normal Class "A" overhauls necessary to maintain system reliability and maintenance. We will complete Phalanx Block 1B upgrades as follows: 37 in fiscal year 2011; 29 in fiscal year 2012; 21 in fiscal year 2013; 55 in fiscal year 2014. As a result of this accelerated upgrade plan, the fiscal year 2011 CIWS maintenance backlog (all variants) will decrease from 60 systems today to less than 40 systems in fiscal year 2014.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

DDG 51 MULTIYEAR PROCUREMENT

Question. The fiscal year 2012 President's budget request would continue DDG 51 ship procurement at a single ship in fiscal year 2012, two ships in fiscal year 2013 through fiscal year 2015, and returning to a single ship in fiscal year 2016. The addition of a second ship in fiscal year 2014 represents an improvement over last year's budget plan for DDG 51 procurement, which I applaud. However, buying an average two or fewer DDG 51s per year raises a number of near-term and long-term concerns. Admiral Roughead, you have previously expressed concern in testimony before Congress about the Navy's future force structure in the next decade, stating

that, “many of our existing cruisers and destroyers will reach the end of their service lives,” and in the mean time, “our existing BMD ships may experience longer deployments and less time between deployments as we stretch current capacity to meet growing demands.” Would you agree then, that if a way could be found to procure DDG 51s at a rate greater than one or two per year, the Fleet would face less operational risk in meeting mission requirements, there would be less concern regarding the looming cruiser and destroyer retirements, and the shipbuilding industrial base could produce these ships at a lesser, and more affordable, unit cost per ship?

Answer. The Navy’s shipbuilding plan, combined with our plan for DDG/CG modernization to upgrade our existing ships, provides the best balance among capability, capacity, and affordability for our Navy. The current shipbuilding plan allows continuous, stable construction of 13 ships and related combat system components from fiscal year 2010–fiscal year 2017, which address the Navy’s near term requirements while mitigating technology/design risk and production limitations. The shipbuilding plan also permits economic order quantity procurements and the efficient production and delivery of materiel and services, which reduces the cost of material and labor. Navy will continuously analyze force structure requirements over the next decade relative to future threats, requirements, and fiscal conditions to determine what the composition of the future force should be and the ability of our Fleet to meet those challenges.

NAVY SHIPBUILDING PLAN

Question. The Navy’s current 30-year shipbuilding plan calls for a minimum of 88 cruisers/destroyers. Implementing the Navy’s current shipbuilding plan would result in a cruiser-destroyer force that falls below the 88-ship minimum requirement beginning in fiscal year 2028 and would remain below the 88-ship floor for 14 years. The shortfall exists for more than one-third of the timeframe covered by the 30-year shipbuilding plan and reaches a shortfall of 20 ships in fiscal year 2034. This projected cruiser-destroyer shortfall is the single largest projected shortfall of any ship category in the Navy’s 30-year shipbuilding plan. Given funding pressures the Navy faces in its shipbuilding budget during the 2020’s by the Navy’s need to procure new SSBN(X) ballistic missile submarines, it would seem prudent to program additional DDG 51s to the shipbuilding plan in the fiscal years prior to fiscal year 2019. Admiral Roughead, if the Navy increased the production rate for DDG 51’s under the forthcoming Force Structure Assessment, would that help reduce the projected cruiser-destroyer shortfall in fiscal year 2027–fiscal year 2040?

Answer. If the Navy increased the procurement rate of our large surface combatants in the near-term it would mitigate the shortfall in the far-term. However, the Navy’s current shipbuilding plan represents a balance among Fleet requirements for presence, partnership building, humanitarian assistance, disaster relief, deterrence, and war-fighting by the COCOMs and our resources.

The procurement rates in the late 1980s and early 1990s for large surface combatants should not necessarily be replicated today. The DDG 51s in the restart program represent three decades of technological evolution. The warfighting demands for this ship class will define the inventory requirement for the future and it is undetermined whether this will involve one-for-one replacement. The inventory objective for this ship class will be the subject of further study in the future. The ships procured between fiscal year 2016 and fiscal year 2031 will replace our existing CG 47 Class cruisers with Air and Missile Defense Radar (AMDR) capable destroyers.

The options to shift resources within the budget to increase force structure are limited. Within the President’s budget submittal for fiscal year 2012’s Future Year Defense Plan (FYDP), several ship construction programs cannot be accelerated at this time due to technological, design risk or industrial production limitations. For programs without these risks, the Fleet inventory will reach its objective with current construction plans. Due to the Navy’s efficiencies and cost savings through our LCS acquisition strategy, Navy had sufficient resources within the FYDP to procure an additional DDG 51 in fiscal year 2014. If additional funding was provided to fund SSBN(X) procurement during the period from fiscal year 2020–fiscal year 2029, the Navy would be able to apply its shipbuilding funds to raise other ship procurement rates to reduce the impact on the shipbuilding industry and to increase the overall battleforce inventory. This additional funding would help reduce future ship inventory shortfalls and provide a more stable production base.

DDG 51 MULTIYEAR PROCUREMENT

Question. Admiral Roughead, I understand that for each of the previous two DDG 51 multiyear procurement (MPY) contracts, in fiscal year 1998–2001 and fiscal year

2002–2005, the Navy received MYP authority 1 year in advance (in fiscal year 1997 and fiscal year 2001). The Navy states that it wants another DDG–51 MYP starting in fiscal year 2013, but the Navy has not requested authority for this MYP as part of its fiscal year 2012 budget submission. When does the Navy plan to submit to Congress its request for authority for a DDG–51 MYP starting in fiscal year 2013?

Answer. The fiscal year 2012 President’s budget highlights the Navy’s intent to request congressional approval for a DDG 51 fiscal year 2013–fiscal year 2017 Multiyear Procurement (MYP). The Navy intends to submit the MYP legislative proposal as part of the fiscal year 2013 President’s budget commensurate with the first year of funding for the MYP.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

EARTHQUAKE

Question. Two weeks ago we conducted a hearing in this subcommittee on the impact that the failure to complete a fiscal year 2011 Defense Appropriations Bill is having on our military services. That was before the Navy and Marine Corps were pressed into service in response to the devastating earthquake and tsunami in Northern Japan which comes over and above everything else your services are doing around. If the Navy and Marine Corps were financially stressed in performing their missions before how does the unanticipated challenge of responding to an earthquake and tsunami further stress the ability of your service to perform its mission?

Answer. The Department of Navy (DON) response to the earthquake, tsunami and nuclear reactor disasters in Japan has had minimal impact on DON missions. Total costs through March 25, 2011 were \$26.5 million with at least \$10.5 million recoverable by reimbursement from the Overseas Humanitarian Disaster Assistance and Civic Aid (OHDACA) appropriation.

The greatest impact to our mission and budget has been the prudent, but voluntary, departure of military dependents from the island of Honshu, Japan. Through April 8, this operation has cost approximately \$54.5 million. Navy cannot simply absorb these costs within MILPERS accounts that have already been stressed under the Continuing Resolution (CR). Navy has submitted a CR exception request to the President’s Office of Management and Budget (OMB) for additional appropriation under the “Safety of Human Life” exception to fund the additional cost for travel, lodging, meals, and per diem for evacuees through April 8, 2011. This short-term solution has been approved by OMB.

Question. In Alaska we are no stranger to earthquakes and as you know we are home to the Pacific Alaska Tsunami warning center. Events such as those in Japan have refocused Alaska on our own level of preparedness if we were to experience an event like we did in Japan. And like Japan our runways in the Anchorage Bowl not only vulnerable to earthquake damage but also to flooding. If Alaska were to experience a catastrophic earthquake what role would you expect the Navy to play in a response?

Answer. The Navy in its supporting role to Combatant Commands (COCOMs) provides maritime forces to accomplish their assigned missions, which include humanitarian assistance and disaster relief. In the event of a catastrophic earthquake in Alaska, U.S. Northern Command and U.S. Pacific Command would coordinate with the Joint Chiefs of Staff to determine specific Requests for Forces and/or Requests for Assistance to the Navy and other Services. Navy’s forces would contribute capabilities to the overall response effort performing evacuation, medical assistance, delivery of relief supplies, and possibly reconstruction. Additionally, other U.S. Government agencies such as DHS and FEMA would contribute their capabilities to provide a more robust, whole-of-Government response to a natural disaster.

QUESTIONS SUBMITTED TO GENERAL JAMES F. AMOS

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

EFFECTS OF CONTINUING RESOLUTION ON MILITARY PERSONNEL

Question. Admiral Roughead and General Amos, how has the series of short-term continuing resolutions negatively affected the Navy and Marine Corps’s ability to manage its military personnel accounts?

Answer. This question is overcome by events due to passage of the fiscal year 2011 Appropriations bill.

Question. General Amos, what is the current dwell time ratio for the Marine Corps, and what is the goal?

Answer. Our deployment to dwell ratio goal is 1:2. In light of our operational demands, and through the support of Congress in authorizing our end strength of 202,100 active duty forces, our combat units are beginning to realize an approximate 1:2 dwell time.¹ Other units vary at more favorable dwell time levels depending on their mission. We anticipate the 1:2 dwell ratio for combat units to remain relatively stable provided current deployed force levels are not increased; however, increased operational demands in Afghanistan or elsewhere may result in dwell times inconsistent with fostering a resilient Total Force.

Some marines in select military occupational specialties continue to fall into what is known as a high-demand, low-density status. This is a key indicator that the combat demand for marines with these skills does not match, or exceeds, the current manpower requirement and/or inventory. In addition, there are currently 14 of 211 occupational specialties where the on-hand number of marines is less than 90 percent of what is required.² Our recently completed force structure review addressed all these concerns. We are working actively to recruit, promote, and retain the right number of marines in the right occupational specialties thus promoting resiliency of our Total Force.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

USMC F-35 JOINT STRIKE FIGHTER

Question. General Amos, you have testified to the importance of having strike aircraft that can operate from amphibious shipping and austere airfields. You have placed the F-35B on a 2-year probation. Can you please explain what that probation entails?

Answer. Establishing a period of scrutiny for the F-35B was prudent in light of the progress the Joint Strike Fighter program has made. The STOVL technical challenges are typical of this developmental stage and none of the known issues are considered to be insurmountable. Corrective actions have either already been incorporated into production aircraft or they are being proactively analyzed. We now have the time to focus resources, ensure the solutions are effective, and incorporate them in the most efficient means possible while avoiding costly design changes.

Question. What are the problems with the program and what are you expecting to occur over the next 2 years?

Answer. There are three factors impacting delivery of the Joint Strike Fighter: production delivery delays, flight test progress, and the rate of software development. For the F-35B, the STOVL variant, developmental testing lagged last year as the program identified some anomalies in the design that need to be corrected.

I am personally engaged with the Joint Program Office and prime contractors to ensure we have instituted the most efficient and effective processes for resolving these challenges. As a result, the program will deliver a higher quality of aircraft in the shortest amount of time.

Question. If there are problems with the aircraft, why are we purchasing 6 of them in fiscal year 2012?

Answer. Our plan is to reduce fiscal year 2012 and fiscal year 2013 production to a rate of 6 per year. This will prevent the loss of valuable manufacturing experience gained since the start of production while the program develops and implements solutions for the technical challenges discovered in developmental testing. It is prudent to optimize the production rate to incorporate lessons learned into as many of the early lot aircraft as possible, to deliver a higher quality of aircraft in the shortest amount of time.

Question. If the F-35B program does not meet the requirements to continue, do you have a plan to replace the aging AV-8B Harrier II population?

Answer. Within our current inventory of our operational tactical aircraft, the AV-8B is the least affected by service life longevity. We anticipate flying the AV-8B well into the next decade, giving us time to develop a replacement plan if F-35B falters. However, the improvements we have seen in F-35B program since the first

¹ Infantry battalions will continue to remain just below 1:2 dwell time due to relief in place/transfer of authority requirements.

² Our most stressed occupational specialties based on percentage of marines beyond a 1:2 dwell are (1) Geographic Intelligence Specialist, (2) Imaging Analyst/Specialists, (3) Signals Collection Operator/Analyst, (4) Unmanned Aerial Systems Operator/Mechanic, and (5) European, Middle East, and Asia-Pacific Cryptologic Linguists.

of the year indicate the STOVL challenges will be solved and will meet or exceed our requirements.

Question. To quote your testimony, “The F-35B is vital to our ability to conduct combined arms operations in expeditionary environments.” What are the implications to the Marine Corps mission if they do not have this capability?

Answer. The F-35B is the tactical aircraft we need to support our Marine Air Ground Task Force from now until the middle of this century. Our requirement for expeditionary tactical aircraft has been demonstrated repeatedly since the inception of Marine aviation. Our ability to tactically base fixed wing aircraft in the hip pocket of our ground forces has been instrumental to our success on the battlefield. Given the threats we will face in the future, the F-35B is clearly the aircraft of choice to meet our operating requirements.

The implications of not having a STOVL tactical aviation capability reach far beyond the Marine Corps and directly affect our ability to support our national strategy. I am confident the F-35B will surpass expectations and be a key resource in our arsenal of expeditionary capabilities.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

OPERATIONAL IMPACT OF AMPHIBIOUS SHIP DECOMMISSIONINGS

Question. General Amos, the Department of the Navy has determined a minimum force of 33 amphibious ships is the limit of acceptable risk in meeting a 38-ship amphibious force requirement. However, the number of amphibious ships in inventory will reach 29 ships this year as more ships are decommissioned. With the current unrest in Africa and the Middle East, and the earthquake in Japan what is the demand for amphibious ships currently and what has been the demand from the combatant commanders over the last year or so?

Answer. Demand by Combatant Commanders (CCDR) for naval forces has remained high during the last 5 years.

Fiscal year	COCOM ARG/MEU Requirement ¹		COCOM Independent Amphib Requirement ¹	
	Demand/Sourced	Percent	Demand/Sourced	Percent
2008	3.4/2.62	77	3.5/1.88	54
2009	3.4/2.47	73	2.58/1.09	42
2010	4.57/2.62	57	3.89/1.49	38
2011 ²	4.4/2.68	61	3.83/0.76	20
2012 ²	4.44/2.54	57	4.41/0.93	21

¹ COCOM Amphib Ship Demand Based on Fleet Forces Command Data (Ships required computed at a 1:3.7 Rotation Rate).
² 2011/2012 Demand reflects Global Force Management Allocation Plan (GFMAP) Baseline data . . . does not include Requests for Forces.

While not able to meet the cumulative annual global CCDR ARG/MEU demand, the Navy is meeting SECDEF tasks as noted in the Global Force Management Allocation Process information above. The table shows that CCDR demand for crisis response forces and engagement are only being partially met.

As current events in North Africa, the Horn of Africa, much of Central Command, and in the Pacific reinforce, amphibious forces remain the cornerstone of our Nation’s ability to respond to crisis and overcome access challenges.

The current inventory of amphibious ships will not support continuous deployments in the PACOM, CENTCOM, EUCOM and AFRICOM that are being requested by the combatant commanders today. An inventory of 33 ships (11 large deck/11 LPD/11 LSD) would adequately support these regions with an ARG/MEU presence. Thirty-eight ships would support the ARG/MEU demand plus single ship deployments to meet the CCDR requirements to support additional forward engagement activities.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

EARTHQUAKE

Question. Two weeks ago we conducted a hearing in this subcommittee on the impact that the failure to complete a fiscal year 2011 Defense Appropriations Bill is having on our military services. That was before the Navy and Marine Corps were pressed into service in response to the devastating earthquake and tsunami in

Northern Japan which comes over and above everything else your services are doing around the world.

If the Navy and Marine Corps were financially stressed in performing their missions before, how does the unanticipated challenge of responding to an earthquake and tsunami further stress the ability of your service to perform their mission?

Answer. Recent USMC support to humanitarian assistance/disaster relief operations in Japan combined with no-fly zone enforcement support in Libya has forced the Marine Corps to reprioritize some of its resources in order to provide maximum support. The Marine Corps anticipates Overseas Humanitarian Disaster and Casualty Assistance (OHDACA) reimbursements from the State Department to provide funding for many of the costs incurred from the Humanitarian Relief effort associated with Operation Tomodachi. Outside of the relief efforts in Libya, the Marine Corps has incurred approximately \$600,000 in expenses which are not eligible for OHDACA reimbursement. Reprioritizing includes the delayed support to a wide range of Theater Security Cooperation (TSC) events. Specifically, Marine forces postponed planned exercises with India, Sri Lanka, and the Maldives during the late March-early April timeframe. Two other planned exercises with South Korea and Indonesia were cancelled during this same period.

In the cases noted above, events were postponed or cancelled due to higher priority missions, not because of a lack of funding.

SUBCOMMITTEE RECESS

Chairman INOUE. And the next hearing of this subcommittee will be on March 30. At that time, we'll receive testimony from the Department of the Air Force.

Thank you very much.

[Whereupon, at 12:40 p.m., Wednesday, March 16, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MARCH 30, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:31 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Johnson, Cochran, Hutchison, Collins, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE AIR FORCE

OFFICE OF THE SECRETARY

STATEMENT OF MICHAEL B. DONLEY, SECRETARY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. This morning, we welcome back the Secretary of the Air Force, the Honorable Michael Donley, and the Air Force Chief of Staff, General Norton Schwartz.

Gentlemen, we thank you for being here with us today as we review the Air Force's budget request for fiscal year 2012. And we thank you also for submitting your prepared testimony. Without objection, the full statement will be made part of the record.

For fiscal year 2012, the Air Force is requesting \$150 billion in base budget. This funding level is roughly equal to your fiscal year 2011 request. The Air Force is also requesting \$16.4 billion for overseas contingency operations for fiscal year 2012, which is a decrease of \$4.4 billion from last year's request, and reflects the ongoing drawdown from our forces in Iraq.

The lack of growth in the Air Force is partly a result of the Secretary of Defense's efficiency initiatives, and I look forward to hearing today how the Air Force plans to reduce overhead, streamline logistics, improve satellite procurement, and reduce energy consumption as part of your efficiencies.

The subcommittee commends the Department of Defense for examining ways to make operations more efficient and affordable; however, we must ensure that we are achieving true savings and not just deferring tough decisions to a later date.

In addition to achieving the efficiency savings that have been identified, in the near term the Air Force must meet growing de-

mands for cyber security and nuclear security and intelligence, surveillance, reconnaissance (ISR).

In theater, the situational awareness requirements of our forces continue to grow. Good progress has been made toward achieving this goal of operating 65 continuous combat air patrols in theater with remotely piloted vehicles. However, the Air Force must still address how to fulfill long-term manpower requirements of these operations and how to incorporate the ever increasing number of ISR assets into the Air Force's force structure.

Over the next decade, the Air Force will face growing budgetary pressures as several expensive recapitalization programs get underway. But, first, let me commend both of you on the successful award of the aerial refueling tanker contract. This is a critical step in replacing our aging tanker fleet.

But as you know, the commencement of work on the new tanker comes at the same time as the development of a new penetrating bomber begins and Joint Strike Fighter (JSF) production ramps up. These efforts will place significant pressure on the budget at a time of tightening budgets.

To this end, to add to the Air Force's already full plate, you are now heavily engaged in operations in Libya. And I look forward to hearing from you today about the extent of Air Force support to the coalition forces operating in Libya, as well as the cost of these operations, and what you see as the end game of our involvement there.

Gentlemen, these are challenging times, to say the least, and we have many difficult choices in front of us. I look forward to working with both of you to ensure that the fiscal year 2012 appropriations reflects the current and future needs of the Air Force.

And now, I wish to turn to our vice chairman, Senator Cochran, for his opening statement.

Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. I am pleased to join you in welcoming our panel of witnesses at our hearing today. We are looking, of course, at the budget request that has been submitted for the Department of the Air Force, and anxious to learn what the reaction of the Uniformed Services and the Secretary are to the budget request, and whether it meets the needs that you have, particularly in light of developments in Libya. We are interested to know what are the consequences in terms of the budget request of—for the actions that we are taking and the obligations that we have assumed in that part of the world. Your insights would be helpful to us to understand what we are facing there in terms of the need for appropriated dollars.

I join the chairman in thanking you for your service. We appreciate very much what you are doing for the safety and security of our country.

Thank you.

Chairman INOUE. I thank you very much. And, Mr. Secretary?

Mr. DONLEY. Thank you. Mr. Chairman, Senator Cochran, members of the subcommittee, it is certainly a pleasure to be here today representing more than 690,000 active duty, Guard, Reserve, and

civilian airmen. I am also joined this morning with my teammate and a tireless public servant, General Norty Schwartz.

We are pleased to report that America's Air Force continues to provide the Nation's unmatched global vigilance, reach, and power as part of the joint team, with an uncompromising commitment to our core values of integrity, service before self, and excellence in all we do.

AIR FORCE GLOBAL OPERATIONS

Today, we are bringing this capability to bear in operations across the full spectrum, from humanitarian support to our Japanese friends in need, to the ongoing stability and counter insurgency operations in Iraq and Afghanistan, to the no fly zone enforcement and protection of the civilian population in Libya, to the continuous air sovereignty, space, and cyber, and nuclear deterrence missions—the speed, precision, and versatility of your Air Force is being tested and proven daily.

We are, as you suggested, Mr. Chairman, requesting \$150 billion in our baseline budget, and \$16 billion in the overseas contingency operations supplemental appropriation to support this work. Our budget request represents a careful balance of resources among Air Force core functions necessary to implement the President's national security strategy, and between today's operations and investments in the future.

Before discussing our fiscal year 2012 budget request, I would like to address some unfinished business from fiscal year 2011, and also set in context the changes in your Air Force over the last several years.

EFFECTS OF OPERATING UNDER FISCAL YEAR 2011 CONTINUING RESOLUTIONS

Operating without a defense appropriations bill in fiscal year 2011 is having a significant impact on the Air Force. A decision to extend the continuing resolution at fiscal year 2010 levels through the remainder of this year would delay our ability to reach and sustain the Secretary of Defense's directed goal of reaching 65 MQ-1/9 Combat Air Patrols by 2013 in support of operations in Afghanistan. And it would cause a production break and the likely increase in the unit cost of F-15 radar modernization, among other programs. Deeper reductions to our modernization programs would be required to fund over \$4 billion in must-pay bills for urgent operational needs, like those in Afghanistan, Iraq, military healthcare, and the military pay raise of 1.4 percent, which Congress authorized, but which has not yet been funded. Without fiscal year 2011 appropriations, we would face delay or cancellation of some depot maintenance, facilities maintenance, and other day-to-day activities in order to prioritize our most critical needs under the lower funding levels in a full year continuing resolution. Finally, fiscal year 2011 appropriations are also required for 44 military construction projects now on hold, which support ongoing operational needs and improve the quality of life for airmen and their families. Passing a fiscal year 2011 Defense appropriations bill is essential to avoid the severe disruptions. And we certainly appreciate, Mr. Chairman, your personal leadership, Senator Cochran,

your personal leadership, and the help of this subcommittee currently underway to resolve this situation.

RESHAPING THE AIR FORCE FOR PRESENT AND FUTURE THREATS

Over the past decade, the Air Force has substantially reshaped itself to meet the immediate needs of today's conflicts and position itself for the future. While we have grown in some critical areas, it has been at the expense of others. We have added intelligence, surveillance, and reconnaissance capacity with 328 remotely piloted aircraft and over 6,000 airmen to collect, process, exploit, and disseminate intelligence. We added over 17 aircraft and nearly 2,400 airmen to bolster special operations capacity necessary in counter insurgency operations. We added over 160 F-22s and 120 C-17S to our inventory and funded over 30 satellites. We added 2,200 airmen for critical nuclear and cyber operations and to support our acquisition process.

In the same period, however, we retired over 1,500 legacy aircraft. We cancelled or truncated procurement of major acquisition programs. We shed manpower in career fields less critical for the current fights, and deferred much-needed military construction in order to balance these capabilities within the resources available. In all, during the past 7 years, the size of the active duty Air Force has been reduced from 359,000 in 2004 to approximately 333,000 today. And the Air Force's baseline budget, when adjusted for inflation and setting aside the annual wartime supplemental appropriations, has remained flat.

Looking ahead, we face a multiyear effort to recapitalize our aging tanker, fighter bomber, and missile forces; continue to modernize critical satellite constellations; meet dynamic and growing requirements in the cyber domain; and also replace aging air frames for pilot training and presidential support.

We continue to recognize the requirement for fiscal restraint and are committed to remaining good stewards of every taxpayer dollar, improving management and oversight at every opportunity.

EFFICIENCIES ACROSS THE FYDP

The fiscal year 2012 budget request incorporates over \$33 billion in efficiencies across the future year's defense plan, which will be shifted to higher priority combat capability by reducing overhead costs, improving business practices, and eliminating excess troubled or lower priority programs. By consolidating organizational structures, improving our acquisition processes, procurement, and logistic support, and streamlining operations, we have been able to increase investment in core functions, such as global precision attack, intelligence, surveillance, and reconnaissance (ISR), in space and air superiority, reducing risk by adding tooth through savings in tail.

We are fully committed to implementing these planned efficiencies and have already assigned responsibilities to senior officials, and put in place the management structure to oversee this work and track progress on a regular basis. Having faced the need to reshape our force structure and capabilities within constrained manpower and resources over the last several years, we do not view the current need for efficiencies as a singular event, but rath-

er as an essential and continuing element of prudent management in our Air Force.

Our investment priorities remain consistent with minimizing risk and maximizing effectiveness and efficiency across the full spectrum of potential conflict. Proceeding with the development and production of the KC-46 tanker aircraft, implementing the Joint Strike Fighter restructure, and meeting the Combatant Commanders' need for more ISR, investing in the long-range strike family of systems, including a new penetrating bomber, and enhancing space control and situational awareness, all remain critical capabilities for both today's and tomorrow's Air Force.

In addition to these investments, we will continue to address challenges in readiness, in particular, the slow, but persistent, decline in materiel readiness most notable in our non-deployed forces, and the personnel challenges across roughly 28 stressed officer and enlisted career fields, both of which are the result of today's high operational tempo.

CARING FOR TOTAL FORCE AIRMEN

And, of course, Mr. Chairman, we will continue to support our Active, Guard, Reserve, and civilian airmen and their families with quality housing, healthcare, schools, and community support.

With respect to healthcare, I would like to convey the Air Force's support for DOD's TRICARE reforms that will modestly increase premiums for working-age retirees, premiums that have not changed since they were initially set—set in 1995.

Going forward, we must continue to seek and develop reforms in the benefits that our men and women in uniform earn to make them economically sustainable over the long term.

PREPARED STATEMENT

Mr. Chairman, good stewardship of the United States Air Force is a responsibility that General Schwartz and I take very seriously, and we remain grateful for the continued support and service of this subcommittee. We look forward to discussing our proposed budget.

Thank you.

Chairman INOUE. All right. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL B. DONLEY

The United States faces diverse and complex security challenges that require a range of agile and flexible capabilities. From the ongoing conflicts in Afghanistan and Iraq, to potential confrontation with aggressive state and non-state actors, to providing humanitarian assistance, the United States Air Force continues to provide capabilities across the full spectrum of potential military operations. The Air Force's fiscal year 2012 budget request aims for balance and versatility to meet the demands of this environment. We believe the request enables our efforts to prevail in today's wars, prevent and deter conflict, and prepare to defeat adversaries across the range of military operations—all the while preserving and enhancing the all-volunteer force.

We remain mindful of our Nation's budgetary challenges and fiscal constraints, because fiscal responsibility is a national security imperative. This environment requires that we balance our capabilities between current combat operations and the need to address emerging threats and challenges. We continue to pursue cost-effective systems that leverage existing capabilities and maximize interoperability and

integration of legacy and future systems. The commitment of the Air Force to collectively discern, access and provide tailored and scalable effects with Global Vigilance, Reach, and Power virtually anywhere in the world is reflected in our acquisition priorities. These priorities are:

- Tanker Recapitalization (KC-X);
- Joint Strike Fighter (F-35) Restructure and F-16 Service Life Extension Program (SLEP);
- Intelligence, Surveillance, and Reconnaissance (ISR) Systems;
- Long-Range Strike Family of Systems; and
- Space Systems and Launch Capability Acquisition Strategy.

Global Vigilance is the ability to provide surveillance around the world. As the demand for ISR continues to grow, the Air Force is aggressively fielding enhanced ISR capability and capacity across the widest range of military operations to counter threats and defeat our adversaries. The Air Force will continue to enhance space control and situational awareness capabilities, as well as space management, to ensure we operate effectively in the increasingly competitive, congested and contested space domain. This includes implementing the Evolutionary Acquisition for Space Efficiency (EASE) concept to drive down costs, improve stability in the fragile space industrial base, invest in technology that will lower risk for future programs, and achieve efficiencies through block buys of satellites. There is also an ongoing collaboration between the Air Force, the National Reconnaissance Office (NRO) and the National Aeronautics and Space Administration (NASA) to maintain a healthy industrial base to meet government launch and range requirements in an efficient manner.

Global Reach is the ability to project capability responsively and advantageously without regard to distance. Air Force mobility assets are essential to Joint, Inter-agency and Coalition operations in peace and war as we provide critical supplies and personnel through strategic and tactical delivery—airlift and airdrop. Air refueling aircraft play an integral role by providing reach and persistence for aircraft to operate inter-theater and intra-theater, alike. As such, the procurement of the KC-X remains the top acquisition and recapitalization priority for the Air Force.

Global Power is the ability to hold at risk any target in the world. The Air Force must continue to modernize and recapitalize our aircraft inventory to remain effective against global and regional competitors as they continue to modernize and improve their own air defense capabilities and harden valued targets. We will continue to work with Congress to enhance capabilities in our existing fighter and bomber fleets to mitigate delays in the F-35 development and procurement programs. One key to that mitigation effort is a focused F-16 SLEP. We must sustain our ability to consistently hold any target on the planet at risk with the development of a Long-Range Strike Family of Systems capability—including a new penetrating bomber—to create desired effects across the full range of military operations in both permissive and contested environments. Last, a multi-faceted effort is underway to enhance our air superiority legacy fighters, maximize the capabilities of the F-22 fleet, invest in preferred air-to-air munitions, and optimize our electronic warfare systems.

The Air Force must take the necessary steps today that will allow future generations to continue to provide consistent, credible and effective air, space and cyber capabilities on which our Nation depends. Our ability to do so is constrained by the increasing costs to design and build platforms and by the accelerating costs of personnel benefits and other must-pay operational bills in a particularly challenging budget environment. We will ensure we maximize combat capability out of each taxpayer dollar by identifying waste, implementing efficiencies, pursuing continuous process improvement initiatives and making smart investments. We will provide the necessary capability, capacity and versatility required to prevail today and in the future.

Last, our fiscal year 2012 budget request recognizes the need to properly manage our force structure. We recognize that our most valuable assets—our people—are critical to achieving our broadest strategic goals, and our near- and far-term mission success is inextricably linked to the overall well-being of our Airmen and their families.

Operating without a defense appropriations bill in fiscal year 2011 is having a significant impact on the Air Force. Under a Continuing Resolution (CR), we are unable to raise procurement to requested levels in several critical areas. Constraining MQ-9 procurement to 24 aircraft versus the 48 requested will delay our ability to reach the Secretary of Defense's directed goal of 65 MQ-1/9 Combat Air Patrols (CAPs) by 2013 in support of ongoing operations in Afghanistan. The inability to initiate a contract for the Wideband Global SATCOM (WGS)-7 satellite will cause a production break and a likely increase in unit cost. Production breaks and delayed

procurements will also negatively affect the Joint Air-to-Surface Standoff Missile (JASSM), F-15 active electronically scanned array (AESA) radar, F-15 APG 63 radar, and other programs. In addition to these impacts, deeper reductions to our modernization programs would be required to fund over \$3 billion in must-pay bills for urgent operational needs in Afghanistan and Iraq, military healthcare, and the military pay raise of 1.4 percent, which was authorized by Congress and is being implemented, but was not funded. Fiscal year 2011 appropriations are also required for 75 military construction (Milcon) projects, now on hold, which support ongoing operational needs and improve the quality of life for Air Force personnel and their families. Last, the Air Force would have to delay or cancel some depot maintenance, weapon system sustainment and other day-to-day activities in order to prioritize our most critical needs under the lower funding levels in a full year CR.

In summary, continuing the CR far beyond March 4 would severely impact program and budget execution in the Air Force, delaying modernization and causing significant restructuring and potential cost increases to many acquisition programs, and creating larger backlogs for maintenance and other operations. Passing a fiscal year 2011 defense appropriations bill is essential to avoid these severe disruptions.

In June 2010, the Secretary of Defense challenged the Services to increase funding for mission activities by identifying efficiencies in overhead, support and other less mission-essential areas. The efficiency target for the Air Force was \$28.3 billion across this Future Years Defense Program (FYDP). The Air Force is committed to enhancing capabilities by reducing expenses allocated to overhead and support functions, while shifting resources to modernization and readiness programs.

As part of the fiscal year 2012 budget, the Air Force exceeded our efficiency target by \$5 billion and identified \$33.3 billion in efficiencies in an effort to make resources available to better support warfighter and readiness programs across the FYDP. Examples of these efficiencies include:

- Consolidating three Numbered Air Forces with collocated Major Command staff and consolidating the activities of four Air and Space Operations Centers into two, thereby achieving a redistribution of 347 military authorizations (228 in fiscal year 2012 and 119 in fiscal year 2013) across the FYDP and eliminating 212 civilian authorizations beginning in fiscal year 2013 which will save \$100.1 million across the FYDP;
- Consolidating installation support management to improve Air Force-wide standardization and prioritization;
- Reallocating 5,600 active duty billets over the FYDP from lower priority support functions to higher priority, growth areas;
- Saving more than \$3 billion from anticipated growth in Weapon System Sustainment (WSS) portfolio efficiencies across the FYDP by reviewing operational requirements, depot processes and the sustainment of the supply chain without degrading operational capabilities or support to the warfighter;
- Reducing fuel consumption within the Mobility Air Forces by leveraging proven commercial aviation practices for flight planning and weight reduction, and implementing other initiatives to save \$715 million (net) across the FYDP;
- Reducing acquisition costs by consolidating services, scrutinizing contracts, reducing contract support, and more efficiently using resources to deliver capabilities and support to the warfighter;
- Reducing information technology costs by more than \$1.2 billion over the FYDP by adopting DOD-level Enterprise Information Services including enterprise core services, consolidating and standardizing the network information technology infrastructure from nine Air Force and Air National Guard Regional Processing Centers to five centrally controlled centers, and migrating current and developmental applications, services and data to DOD-provided enterprise computing centers; and
- Improving our procurement of satellites with a new acquisition strategy which, subject to congressional approval, will lower procurement costs and stabilize the defense industrial base.

The realization of these efficiencies allowed the Air Force to reallocate funding to modernize and recapitalize weapons systems, improve capabilities and enhance warfighter operations. Examples of these enhancements include:

- Investing in the Long-Range Strike Family of Systems, including a new penetrating bomber as a key component of the Joint portfolio;
- Investing an additional \$3.5 billion to fund the Evolved Expendable Launch Vehicles (EELV) program to the Office of the Secretary of Defense (OSD) Independent Cost Assessment, with the Department of Defense (DOD) committed to buying five boosters per year to meet national space launch requirements and stabilize the industrial base;

- Repurposing 5,600 active duty billets over the FYDP to support ISR capability, U.S. Pacific Command force structure requirements, Total Force Integration, the U-2 continuation, building partnership capacity, increasing support to the Air Force District of Washington UH-1N mission, among other increases;
- Procuring an additional 16 simulators for F-35 aircrew training bringing the total procurement to 30 simulators to ensure an effective training pipeline throughput and operational unit pilot proficiency and cost control;
- Recapitalizing the aging special operations forces MC-130H/W aircraft;
- Improving the aircraft computer infrastructure of the B-52 to enable more rapid machine-to-machine retargeting;
- Enhancing combat capability of the F-15C and F-15E with additional AESA radars and electronic protection software upgrades;
- Continuing to fund the development of next-generation Global Positioning System (GPS) III Operational Control Segment;
- Researching and developing electronic protection and suppression of enemy air defense (SEAD) capabilities for the F-22;
- Transitioning MC-12W Liberty Project from Overseas Contingency Operations (OCO) funding into the Air Force baseline budget beginning in fiscal year 2013;
- Continuing maximized production of the MQ-9 Reaper to ensure delivery of 65 CAPs by the end of fiscal year 2013;
- Extending U-2 operations through fiscal year 2015 to ensure a smooth high-altitude transition; and
- Baselining the Air Sovereignty Alert program across the FYDP to solidify support to homeland security operations.

The Air Force leadership recognizes the importance of achieving planned efficiencies to avoid future bills and a negative impact to our mission and our Airmen. We are taking a long-term view of this initiative and will address our efficiency targets annually to further refine and identify follow-on opportunities. We assigned responsibility for initiatives to individual senior leaders who are developing their detailed implementation plans to oversee our efforts. Quarterly executive-level reviews will monitor plans and progress, and ensure that efficiency initiatives do not inadvertently impact readiness, mission performance, or quality of life for our Airmen. Our continuous process improvement program, Air Force Smart Operations for the 21st Century (AFSO21), is well-established and provides our Airmen with the tactics, techniques and procedures to improve performance while achieving efficiencies.

In order to ensure Air Force leadership has reliable and relevant financial information to monitor our efficiency goals, we are further emphasizing our work in Financial Improvement and Audit Readiness. In fiscal year 2012, the Air Force is dedicating \$29 million to audit readiness and validation and \$327 million to modernize our business systems.

Mission effectiveness of the Air Force is linked to the overall well-being of our Airmen and their families. The Air Force will continue to find innovative and efficient ways to provide and sustain programs that support our Airmen and their families, including our critical civilian personnel. We must ensure programs and services foster a greater sense of community, strengthen a sense of belonging and value to the Air Force, and improve Airman and family resiliency.

As mission demands continue to evolve and budgets flatten, the Air Force is making key strategic choices to leverage the collective talent and experience of our Total Force. Through improved integration across the Total Force Enterprise of active, Guard and Reserve forces, we are seeking greater Service-wide efficiencies and effectiveness to maximize combat capability for the Joint warfighter. We are developing business case analyses to inform decisions on how best to structure Active and Reserve Component relationships, especially in new areas. As missions such as cyber and dynamic battlefield ISR mature, so too will the Total Force investment in these areas.

End Strength, Retention and Recruiting.—The overall programmed Air Force end strength for fiscal year 2012 is more than 690,000 personnel. This includes 332,800 active duty, 71,400 Reserve, 106,700 Air National Guard, and more than 182,000 civilian personnel. To support the efforts of our Airmen and to recruit and retain the highest quality Air Force members, the fiscal year 2012 budget request includes \$30.2 billion in military personnel funding and a military pay raise in fiscal year 2012 of 1.6 percent.

The retention rates in the Air Force are the highest they have been in 16 years and recruiting has also been successful. Therefore, the \$626.6 million requested in the fiscal year 2012 budget for recruiting and retention bonuses is highly targeted. Bonuses are proposed for specific career fields with critical wartime skills including pilots, control and recovery, intelligence, contracting, security forces, health professionals, civil engineering, special operations and explosive ordnance disposal.

In addition, the current economy has slowed attrition from the Air Force and had the effect of increasing active duty manning above planned levels. As a result, the Air Force is making difficult, but fiscally responsible decisions to implement force management programs that allow us to remain within authorized end strength ceilings. Specifically, we continue to progress toward an active duty end strength goal of 332,800 by the end of fiscal year 2012. To address excess end strength, particularly in the officer force, we will reduce accessions, continue to waive Active Duty Service Commitment and Time in Grade requirements for voluntary separations and retirements, continue to conduct enlisted Date of Separation rollbacks, and institute involuntary separation and retirement programs for officers through Selective Early Retirement, Reduction in Force and Force Shaping boards. We will also work with OSD to seek additional legislative authority to help the Air Force meet end strength ceilings by the end of fiscal year 2012 and maintain the appropriate level in fiscal year 2013 and beyond.

Civilian Workforce.—The Secretary of Defense has limited our civilian workforce to fiscal year 2010 levels, with limited growth allowed for specific priorities like the acquisition workforce. This policy will require significant changes to previously planned civilian growth. The Air Force will also conduct an enterprise-wide review of civilian personnel end strength to facilitate DOD's efforts for efficiencies and reinvestment possibilities.

Contractor Reductions.—The Air Force is looking at the way we utilize the contract workforce as we answer the Secretary of Defense's challenge to find efficiencies and to reduce duplication, overhead, and excess, and reinforce our culture of efficiency and restraint across the Air Force. This will impact the service support contract workforce in the following areas:

- Reduce our staff support contractor workforce by 10 percent per year, over the next 3 years in accordance with DOD's guidance with an estimated fiscal year 2012 savings of \$127 million; and
 - Reduce the funding for advisory studies by 25 percent from the fiscal year 2010 levels over the FYDP with an estimated fiscal year 2012 savings of \$41 million.
- The Air Force identified two other areas that will result in reductions to its headquarters contract workforce and release resources for warfighter use. These include: Knowledge-based services estimated at \$252 million in fiscal year 2012; and Program Management Administration estimated at \$191 million in fiscal year 2012.

Man-Days.—Active Duty Operational Support days play a critical role in resourcing extended military operations. They allow for the active duty appropriation to pay for temporary use of National Guard and Reserve personnel to support military missions beyond the regular component's capability. In support of the Secretary of Defense's efficiency initiative, the Air Force reduces, by 1,250 work years, the Reserve Component fiscal year 2012 man-day program that supports non-critical administrative and overhead activities.

The demand for global mobility and related airlift support remains high in fiscal year 2012 as the Air Force will continue to support a large footprint in Afghanistan. The Air Force identified \$1.4 billion to support fiscal year 2012 OCO requirements. Our reliance on the Total Force is by design, and we recognize and value the contributions of the members of the Reserve Components who have performed tirelessly in support of our Nation. The Air Force will continue to prioritize Reserve Component requirements prudently and in accordance with mission needs as we transition to a lower steady state tempo.

Diversity.—The Air Force widened the aperture beyond traditional views of diversity, and defined it to include personal life experiences, geographic background, socioeconomic background, cultural knowledge, educational background, work background, language abilities, physical abilities, philosophical/spiritual perspectives, age, and more. We declared diversity a military necessity, as both a source of greater combat effectiveness and as means toward a force that more closely mirrors American society. Deliberate plans are being developed to attract, recruit, develop, and retain a more diverse force.

Repeal of "Don't Ask, Don't Tell".—The Air Force will execute the plan established by OSD for the effective implementation of the repeal of Section 654 of Title 10 of the United States Code, known as "Don't Ask, Don't Tell." We are also developing strategic communications, and we will provide initial and sustainment education and training at all levels.

Readiness.—With Air Force personnel deployed to more than 135 locations worldwide on an average day, we rely heavily on the Total Force. Currently, more than 37,000 Airmen are deployed and more than 57,000 are forward-stationed. In addition, approximately 134,000 Airmen are directly supporting Combatant Commander requirements from their home stations daily. These Airmen contribute in a variety

of ways, to include operating the Nation's space and missile forces, processing and exploiting remotely collected ISR data, providing national intelligence support, operating and defending our networks, and executing air sovereignty alert missions.

The Air Force has flown more than 419,000 sorties in support of Operations Iraqi Freedom and New Dawn and more than 244,000 sorties in support of Operation Enduring Freedom since September 11, 2001. During this time, we delivered over 6.3 million passengers and 3.3 million tons of cargo, employed almost 23,800 tons of munitions, flew more than 15,750 personnel recovery sorties recording over 2,900 saves and 6,200 assists, and transported more than 85,000 patients and more than 15,400 casualties from the U.S. Central Command alone. In 2010, our Airmen averaged approximately 400 sorties every day.

This level of activity reflects our commitment to provide Global Vigilance, Reach, and Power in today's Joint fight. However, our high operations tempo (OPTEMPO) has also had some detrimental effects on our overall readiness. Readiness for full spectrum military operations is a challenge for our combat air forces and some other limited-supply/high-demand aviation units. Since 2003, we have seen a slow but steady decline in reported readiness indicators. Our OPTEMPO since 2001 has produced lower deploy-to-dwell ratios for high-demand skills. At present, 19 enlisted and nine officer career fields are "stressed." We have improved funding to WSS; however, sustainment challenges continue as we field new weapon systems and balance contract versus organic sources of repair. To address these readiness issues, we must keep aircraft recapitalization and procurement programs on track and continue managing our force to ensure the right numbers and mix of skills in our highly tasked and highest priority mission areas.

The Air Force Core Functions, assigned by the Secretary of Defense and recognized by the Joint community, provide a framework for balancing investments across Air Force capabilities. While this document describes the Core Functions individually, we recognize the inherent interdependence of these capabilities within the Air Force, the Joint force, and throughout the United States Government. When considered together, the Core Functions encompass the full range of Air Force capabilities. The budget request in this posture statement provides an appropriate balance of investment across our Core Functions. The table below depicts the fiscal year 2012 budget request and the projected allocation of resources across the FYDP, by Air Force Core Function.

[In billions of dollars]

Air Force Core Function	Fiscal Year 2012 PB Request	FYDP
Nuclear Deterrence Ops	5.2	28.0
Global Precision Attack	16.0	93.7
Air Superiority	9.2	46.1
Rapid Global Mobility	15.9	89.5
Global Integrated ISR	8.2	41.4
Space Superiority	11.6	56.2
Cyberspace Superiority	4.6	21.9
Command and Control	6.3	33.5
Special Operations	1.4	6.5
Personnel Recovery	1.6	9.0
Building Partnerships	0.5	1.9
Agile Combat Support	33.8	175.0

Note 1: This table does not include OCO, Non-Blue or classified programs.

Note 2: The funding for Nuclear Deterrence Operations includes weapon systems, support systems, as well as nuclear command, control, and communications requirements.

NUCLEAR DETERRENCE OPERATIONS

Continuing to strengthen our nuclear enterprise remains the number one Air Force priority, and we have taken positive steps within the fiscal year 2012 budget request to continue to strengthen and improve this Core Function.

Air Force Global Strike Command achieved full operational capability (FOC) on September 30, 2010, moving all Air Force nuclear-capable bombers and Intercontinental Ballistic Missiles (ICBMs) under one command. The Air Force Nuclear Weapons Center continues to pursue vital and deliberate sustainment of the nuclear enterprise through efforts such as the Air Force Comprehensive Assessment of Nuclear Sustainment process. Bomber force modernization continued in an effort to maintain a viable force beyond 2030. We have completed the transition to four B-52 operational squadrons with the addition of the 69th Bomb Squadron at Minot Air Force

Base, North Dakota. ICBM modernization and sustainment also continued with investments in new test equipment and launch facility environmental control systems. Although an initial study for the Ground Based Strategic Deterrent to replace the Minuteman III will begin in fiscal year 2011, we must continue sustainment efforts to ensure Minuteman III viability through 2030.

An important event for the ICBM force in 2010 was a temporary loss of the ability to monitor the status of 50 missiles at F.E. Warren Air Force Base, Wyoming. At no time was there any danger to the public or to the safety and security of the weapon system. The missiles are protected by multiple and redundant safety, security, and command and control features. The root cause of this communication interruption was identified, and the necessary technical and procedural changes to prevent future occurrences have ensued. In addition, the Air Force has completed a number of assessments including initiatives to address systemic issues with ICBM infrastructure and operating procedures as well as a report on the age and pedigree of the infrastructure and equipment associated with the ICBM system. Based on these assessments, it is clear that a significant portion of the existing infrastructure will eventually require modernization or complete replacement in the years ahead.

The fiscal year 2012 budget request of \$5.2 billion continues to invest in the future of nuclear deterrence. The Air Force is committed to sustaining the ICBM force through 2030 with investment including command and control, cryptographic improvements and ballistic missile fuze sustainment. Bomber modernization and sustainment efforts include the B-52 Combat Network Communications Technology program, the B-2 Extremely High Frequency communications program and the Defensive Management Systems program. The Air Force removed early-to-need procurement funding in bomber extremely high frequency communications and the ground element of the Minimum Essential Emergency Communications Network program due to program delays. The Air Force is committed to continuing to strengthen the nuclear enterprise through other programs such as the tail kit portion of the B61 nuclear weapon life extension program, the future long-range stand-off weapon, and the Common Vertical Lift Support Platform. Beyond weapon system sustainment and modernization, the Air Force is focusing on human capital as we carefully balance requirements for our limited, intensively scrutinized, high-demand Airmen in the nuclear enterprise.

The Air Force is prepared for a new verification regime and is planning for the elimination and conversion of launchers under the New Strategic Arms Reduction Treaty. We will work with the OSD and U.S. Strategic Command to identify and assess options for future force structure adjustments consistent with the Treaty provisions.

GLOBAL PRECISION ATTACK

Many of our global precision attack forces are meeting the current requirements of ongoing contingency operations by performing precision strike and ISR support roles. However, the proliferation of anti-access and area-denial capabilities will challenge the ability of current fourth-generation fighters and legacy bombers to penetrate contested airspace in the longer term.

The Air Force used a balanced approach across the global precision attack portfolio in fiscal year 2011, prioritizing investment in fifth-generation aircraft while sustaining legacy platforms as a bridge to the F-35, Joint Strike Fighter. We continue to modernize our bomber fleet to sustain our capability and capacity as we invest in a Long-Range Strike Family of Systems.

The fiscal year 2012 budget request for this Core Function is \$16 billion. Investments in global precision attack will fund modernization of legacy fighters and the B-1B, development and procurement of the F-35A, preferred munitions, and simulators for Tactical Air Control System training. The fiscal year 2012 budget request adds \$15 million to begin design and development of structural and capability modifications for the F-16 Block 40/42/50/52 fleet. The SLEP initiatives for the F-16 airframe are scalable and responsive to the Air Force's total fighter requirements. The Air Force is also studying F-16 modernization efforts, to include a new AESA radar, center displays, electronic warfare defensive suite, and an improved data-link in anticipation of F-35A delivery delays.

The multi-role F-35A is the centerpiece of the Air Force's future precision attack capability. In addition to complementing the F-22's world class air superiority capabilities, the F-35A is designed to penetrate air defenses and deliver a wide range of precision munitions. This modern, fifth-generation aircraft brings the added benefit of increased allied interoperability and cost-sharing across Services and partner nations. It will also serve to fulfill our commitment to NATO's dual-capable aircraft mission. The fiscal year 2012 budget includes \$5.3 billion for continued development

and procurement of 19 F-35A, Conventional Take-Off and Landing (CTOL), production aircraft.

The F-35A program team achieved a number of accomplishments over the past year, including the first flight of the first mission systems aircraft, arrival of the first four F-35A test aircraft at Edwards Air Force Base, California, completion of F-35A static structural testing 5 months ahead of schedule with no failures, roll out of the first Low Rate Initial Production (LRIP) F-35A, completion of 410 total F-35 test flights in 2010 of which 171 were F-35A flights, negotiation of the first fixed price type production contract (LRIP Lot 4—10 CTOL aircraft), and the signing of a Letter of Acceptance to procure the F-35A by Israel.

Also in 2010, the Air Force announced the preferred alternatives for F-35A operational and training bases. Those bases are Hill Air Force Base, Utah, and Burlington Air Guard Station, Vermont for operational squadrons and Luke Air Force Base, Arizona for training.

The program continues to experience challenges as it transitions from development to production despite the significant accomplishments. The Secretary of Defense announced a program restructure in February 2010. The restructure resulted in increased funding for development and production in accordance with Joint Estimate Team II estimates, reduced procurement by 122 aircraft over the FYDP in the fiscal year 2011 PB, upgraded the Program Executive Office position from a 2-star to 3-star flag rank, extended development by 13 months, added an additional LRIP lot prior to entering full rate production, and reduced the ramp rate to less than 150 percent of the previous year's production. Program cost growth, including growth from the restructure, resulted in a critical Nunn-McCurdy breach in March 2010. The Under Secretary of Defense for Acquisition, Technology, and Logistics subsequently certified the program in accordance with the Nunn-McCurdy statute, allowing the F-35 program to continue.

The DOD tasked the program office to perform a bottom-up review of the remaining development effort after the program Nunn-McCurdy certification. This Technical Baseline Review (TBR), completed in November 2010, became the basis for additional program restructuring within the fiscal year 2012 PB. The TBR informed the need for an additional \$4.6 billion to complete the Joint development effort. To fund this new development effort, and recognizing a continued lagging performance in production, the DOD reduced procurement by 124 aircraft over the FYDP in the fiscal year 2012 PB, 57 of which were F-35As.

The Air Force intends to accelerate the procurement of the F-15E AESA radar modernization program, funding 88 radars and electronic protect software upgrades across the FYDP to keep our legacy platforms viable well into the future. Other legacy fighter improvements in the fiscal year 2012 budget include the continuation of the A-10C wing replacement program.

The fiscal year 2012 budget request includes funds to modernize the B-1B fleet, including the central integrated test system, fully integrated data link, and vertical situation display unit. To provide the funds to modernize the B-1B fleet, the fiscal year 2012 budget request also reduces B-1B force structure by six primary aircraft authorizations leaving 60 B-1Bs in our inventory. Investing in a new penetrating bomber is critical to maintaining our long-range strike capability in the face of increasing risk associated with anti-access and area-denied environments.

To this end, the Secretary of Defense announced on January 6, 2011, that the Air Force will invest in a new long-range, penetrating, and nuclear-capable bomber capable of both manned and unmanned operations. A major focus of this program is to develop an affordable, long-range penetrating strike capability that delivers on schedule and in quantity. This aircraft will be designed and built using proven technologies, will leverage existing systems to provide sufficient capability, and allow growth to improve the system as technology matures and threats evolve. This program should start now to ensure that the new bomber can be ready before the current aging B-52 and B-1 bomber fleets go out of service. The follow-on bomber represents a key component of a Joint portfolio of conventional deep-strike capabilities, an area that must be a high priority for future defense investment given the anti-access challenges our military faces. It is a central element in a Family of Systems that includes enabling electronic warfare, ISR, and communications capabilities, as well as new weapons.

Anti-access and area-denial challenges have also caused us to pursue the Air-Sea Battle concept in partnership with the U.S. Navy and Marine Corps, so that together we can preserve and bolster our Nation's freedom of action in the air, maritime, space, and cyberspace domains. Once implemented, Air-Sea Battle will guide us to develop a more permanent and better-institutionalized relationship between Departments that will ultimately shape our Service organizations, inform our operational concepts, and guide our materiel acquisitions.

This budget request also includes Developmental Test (DT)/Operational Test (OT) and procurement of the Joint Air-to-Surface Stand-off Missile baseline and Extended Range programs. As Small Diameter Bomb (SDB)-1 production concludes in fiscal year 2011, the Air Force plans to transition to development and production of the SDB-II in fiscal year 2012. Additionally, the fiscal year 2012 budget request continues funding for integration of the Hard Target Void-Sensing Fuze onto the BLU-113 and BLU-109 weapons, and funds weapon DT/OT for the Massive Ordnance Penetrator.

Fiscal year 2012 budget investments in global precision attack reflect the requirement to win today's fight while recognizing that proliferation of anti-access and area-denial capabilities will increasingly challenge America's ability to penetrate contested airspace. The Air Force continues to modernize the legacy fighter and bomber fleet to maintain sufficient capability and capacity as we transition to a fully operational F-35A fleet and field a modern Long-Range Strike Family of Systems.

AIR SUPERIORITY

Air superiority is crucial in modern warfare. It enables air, land and maritime operations in support of our Joint, Interagency and Coalition partners. For over five decades, Air Force investments, expertise and sacrifice in achieving air superiority have ensured that friendly ground forces operate without threat of attack from enemy aircraft. Airspace control remains vitally important in all operating environments to ensure the advantages of rapid mobility, ISR and precision strike are broadly available to the Combatant Commander. Ongoing air defense modernization efforts by global and regional competitors will challenge the Air Force's ability to attain the same degree of control in the future. The fiscal year 2012 budget request for air superiority is \$9.2 billion.

We plan to continue upgrading to a fifth-generation fleet with F-22 modifications to provide fleet commonality and ensure the viability of our legacy weapons systems. We will also continue the development of preferred air-to-air munitions and defenses such as the AIM-9X, AIM-120D and electronic warfare capabilities.

We are currently modernizing our legacy fleet of F-15 fighter aircraft with AESA radars to ensure their viability well into the future. Other F-15C/D modernization programs underway include an advanced display core processor upgrade with vertical situation display, beyond line of sight radios, and Link-16 cryptographic upgrades. The fiscal year 2012 budget request continues funding for the F-15C/D AESA radar modernization program. The Air Force has recently restructured this program, procuring 90 radars across the FYDP and an additional eight radars in fiscal year 2017.

The Air Force is also incrementally modernizing the F-22 Block 30/35 aircraft and requests funding in the fiscal year 2012 budget for the F-22 Block 20/30/35 Common Configuration, Reliability and Maintainability Maturation Program and enhancement of the air-to-air and SEAD capabilities on F-22 Block 30/35 aircraft.

Select electronic warfare enhancements continue in fiscal year 2011, including EC-130H Compass Call fleet upgrades, and a flight deck and mission crew simulator to increase training capacity. The fiscal year 2012 budget request begins funding 13 electronic attack pod sets for MQ-9s and the conversion of a C-130 to EC-130H Compass Call aircraft, adding two mission aircraft authorizations across the FYDP. The fiscal year 2012 budget also funds concurrent production of Miniature Air-Launched Decoy (MALD)/MALD-Jammer (MALD-J) and development of MALD-J Increment II to improve the system's electronic warfare capabilities.

The Air Force continues to enhance development, production, and integration of critical munitions for air superiority. The fiscal year 2012 budget requests funds for the development and full-rate production of the AIM-9X Block 2; development, integration, and production of the AIM-120D; and development and integration of the AGM-88 HARM control section modification. The fiscal year 2012 budget also requests research and development funding for the "Next Generation Missile," an air launched missile to replace both the AIM-120D and the AGM-88. This funding will provide for a competitive prototype demonstration and technical development preceding entrance into the Engineering and Manufacturing Development phase of the program.

Other key enhancements in the fiscal year 2012 budget request include the development and fielding of new training range equipment and updates to threat systems to provide realistic combat training. Among these are the P5 Combat Training System and Joint Threat Emitters. Also, the fiscal year 2012 budget request provides procurement of F-16 Block 40/50 Full-Mission Simulators, affording high-fidelity simulation for use in Distributed Mission Operations. Enhanced opportunities to mi-

grate aircrew training into high fidelity simulators will help realize efficiencies in the peacetime flying hour program, as well as support energy efficiency.

The proposed fiscal year 2012 investments will sustain America's air superiority advantage and expand the multi-role capability of the Air Force's most advanced aircraft. Additionally, these investments continue the development and procurement of electronic warfare capabilities and preferred air-to-air munitions.

RAPID GLOBAL MOBILITY

The Air Force continues to provide unparalleled airlift and air refueling capability to support our national defense. Mobility forces provide a vital deployment and sustainment capability for Joint and Coalition forces, globally delivering equipment, personnel, and materiel essential for missions ranging from major combat to humanitarian relief operations worldwide.

The Air Force is accelerating the retirement of our oldest legacy airlifters, the C-5A and C-130E, in fiscal year 2011. Airlift capacity and capability will be maintained through continued recapitalization and modernization. The Air Force will take delivery of seven C-130Js, and continue to ensure world-wide airspace access through avionics modernization of C-130H2/3, KC-10 and the C-5. In 2010, the C-27J completed transition from a Joint to an Air Force-led program, and we continued C-27J procurement as an investment in overall fleet viability.

The fiscal year 2012 budget request balances tanker and airlift requirements to ensure that we sustain the critical needs of the warfighter. This is accomplished by prioritizing recapitalization of the tanker aircraft while ensuring the continued viability of the legacy fleet. Tanker capability investments of \$877 million are heavily weighted toward our top acquisition priority, the KC-X program. The Air Force submitted a Request for Proposal for a KC-X replacement tanker in February 2010, and is anticipating contract award in early 2011. While moving aggressively to recapitalize the tanker fleet, we also continue maintaining the health of legacy aircraft. The budget includes \$147.4 million in fiscal year 2012 for the airspace access requirement and sustainment of the KC-10 and KC-135 fleets.

In conjunction with the continued procurement of C-130Js, the fiscal year 2012 budget continues to modernize C-130Hs through the Avionics Modernization Program, ensuring continued global airspace access. Similar efforts to modernize C-5 avionics remain on track and the C-5B/C Reliability Enhancement and Re-engine Program (RERP) has completed operational testing. In October 2010, OSD approved RERP for full rate production with the final C-5M "Super Galaxy" scheduled for delivery in the third quarter of fiscal year 2016. Additionally, in accordance with the results of the Mobility Capabilities and Requirements Study 2016, and subject to authorization by the Congress, we intend to retire some of the oldest, least capable C-5As and C-130Hs. The C-17 Globemaster III remains the backbone of our Nation's strategic airlift fleet, and the Air Force takes delivery of 11 new C-17s in fiscal year 2011 and eight in fiscal year 2012. These additions bring the total C-17 fleet to 221 aircraft. The Air Force will continue to modernize its mature C-17s to the production line standard by accelerating the Block 13-17 upgrade program, and retrofitting the aircraft with extended range fuel tanks and an improved on-board inert gas generating system.

Efforts to increase direct support airlift continue, with plans to beddown 38 C-27Js in the Air National Guard. The Air Force continues Operational Support Aircraft/Very Important Person Special Airlift Mission modernization with the upgrade of VC-25 avionics, with completion in fiscal year 2018 enabling unrestricted global access for the Presidential aircraft.

GLOBAL INTEGRATED INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE

The Air Force continues to rapidly increase its ISR capability and capacity to support all military operations. Air Force ISR provides timely, fused, and actionable intelligence to the Joint force from forward-deployed locations and distributed processing centers around the globe.

The exceptional operational value of Air Force ISR assets has led Joint force commanders in Iraq, Afghanistan and the Horn of Africa to continually increase their requests for support. To help meet this demand, the Air Force currently has more than 90 percent of all available ISR assets deployed. Over the last 2 years, the Air Force increased the number of remotely piloted aircraft (RPA) and completed deployment of 30 MC-12W Project Liberty aircraft to theater to complement remotely piloted capabilities. This is being accomplished as we transitioning MC-12W Liberty Project from OCO funding into the Air Force baseline budget beginning in fiscal year 2013. Additionally, the Air National Guard, already full partners in the RPA enterprise, has also deployed the RC-26B in support of operations in Iraq. Finally,

both the Air Force and Air National Guard operate the RC-135 Rivet Joint and Senior Scout, respectively, in support of global signals intelligence taskings.

In fiscal year 2011, we will increase the number of CAPs in theater to 50, maximize the MQ-9 production rate to 48 per year, complete the procurement of 11 RQ-4 Block 40, and will deliver five additional MC-12W aircraft. We also will maintain our current Joint Surveillance Target Attack and Radar System-based Ground Moving Target Indicator (GMTI) capability as we complete an Analysis of Alternatives to determine the future of GMTI.

Our fiscal year 2012 ISR budget request of \$8.2 billion fully supports the Joint force emphasis on ISR capacity and allows the Air Force to sustain maximum MQ-9 production and achieve 65 RPA CAPs in theater by the end of fiscal year 2013. In intelligence production, we corrected an internal Operation and Maintenance shortfall within the Air Force Distributed Common Ground System to sustain intelligence analysis and dissemination. The budget request also continues support for the U-2 Dragon Lady manned aircraft through the end of fiscal year 2015 to ensure a smooth high-altitude transition to the unmanned RQ-4 Global Hawk. This extension enables a measured reduction of the U-2 program as RQ-4 Block 30 aircraft become operational and ensures continued support to national leadership, Combatant Commanders and Joint warfighters.

The fiscal year 2012 ISR budget also realigns resources within the RQ-4 program to correct a \$979 million diminishing manufacturing sources disconnect across the FYDP. To optimize our support of the overall RQ-4 program, the Air Force decided to curtail production of the RQ-4 Block 40 at 11 aircraft. This decision allows the Air Force to fully support and sustain the required RQ-4 Block 40 capability already procured and concentrate on fielding effective Block 30 multiple intelligence platforms on time.

SPACE SUPERIORITY

The DOD, civilian agencies and our Nation rely on space capabilities developed and operated by the Air Force. The fiscal year 2012 space superiority budget request of \$11.6 billion will enable the Air Force to field, upgrade and sustain vital space systems for the Joint warfighter. As part of the Joint force, we integrate and operate these capabilities to execute the space support, force enhancement, space control and force application missions; and, as launch agent for both the defense and intelligence sectors, provide reliable and timely space access for national security purposes.

Space capabilities provide the United States and our allies' unprecedented national security advantages in national decisionmaking, military operations, and homeland security. The Air Force's budget priorities align closely with the goals and principles outlined in the National Space Policy (NSP) and support the DOD's National Security Space Strategy (NSSS) and the National Military Strategy with specific emphasis on building international partnerships to establish mutually beneficial space capabilities and developing a better understanding of the space domain. International agreements are being pursued to expand space-based communication capability through the procurement of a ninth Wideband Global SATCOM satellite (WGS-9), and to meet National Search and Rescue requirements by working to integrate the Canadian-provided Distress Alerting Satellite Systems as a secondary payload on GPS Block III Increment B & C satellites. Additionally, realizing the space domain is becoming increasingly congested, contested and competitive, we will continue efforts to establish a Space Situational Awareness (SSA) partnership with Australia by jointly employing and operating a space object detect and track radar in Australia. This system will provide better understanding of the current and future strategic space environment and establish a foundation for continuing nation-to-nation cooperation.

In close cooperation with OSD and the Office of Management and Budget, the fiscal year 2012 Air Force budget request proposes a new acquisition strategy for buying military spacecraft, Evolutionary Acquisition for Space Efficiency (EASE). The current practice of procuring satellites one-at-a-time or on a just-in-time basis has inadvertently increased costs due to production line breaks, parts obsolescence, and inefficient use of labor. Numerous space experts and congressional committees have expressed concern with the inefficiency and disruption caused by the status quo approach to procuring satellites. EASE is an acquisition strategy that encompasses the following tenets: block buys of satellites, fixed price contracting, stable research and development investment, and a modified annual funding approach. We believe this approach will result in savings that can be reinvested in research and development that will further improve the performance and lower the cost of follow-on systems.

Commitment to satellite production and reinvestment in technology development provides stability and predictability for a fragile space industrial base.

The Air Force budget request reflects the use of EASE for acquisition of the next blocks of Advanced Extremely High Frequency (AEHF) protected communications satellites in fiscal year 2012 and Space Based Infrared System (SBIRS)-Geosynchronous missile warning satellites in fiscal year 2013. Once the EASE approach is proven, we will examine the application of this acquisition strategy to a wider portfolio of space programs. Relying on a combination of regular appropriations, advance appropriations, and multi-year procurement authority, the EASE proposal is consistent with the full funding principle and is a critical part of the Air Force's efficiency agenda. The Air Force recognizes the need to work with Congress to define and obtain the necessary legislative authorities to achieve our vision.

Spacelift is a critical component of the national security space enterprise. Despite our having achieved a record 76 consecutive successful launches since 1999, spacelift is still a complex and costly undertaking. Three recent launch studies reached the same conclusion that immediate commitment to a fixed annual production rate for launch vehicles is imperative to sustain the industrial base and control costs. To ensure this commitment, the fiscal year 2012 budget submission requests an additional \$3.5 billion across the FYDP to procure five DOD launches each year. In addition, the Air Force is working aggressively to reduce the cost of providing this critical launch capability. Additionally, the Air Force is collaborating with the NRO and NASA to explore synergistic solutions to maintain a healthy industrial base and meet government launch requirements.

Our Combatant Commanders and national leadership rely on satellite communications for continuous secure communications around the world. In fiscal year 2010, we successfully launched the third Wideband Global SATCOM (WGS) satellite and first AEHF satellite. AEHF will provide 10 times the throughput and greater than 5 times the data rate of the current MILSTAR II Satellite Communication System. To increase the effectiveness of our Joint warfighting operations, we are expanding communications capability with the launch of another WGS satellite in fiscal year 2012. Each WGS satellite delivers the equivalent capacity of the entire existing Defense Satellite Communications System constellation. WGS has become the keystone for international cooperation measures in space, with our Australian allies funding the sixth WGS satellite in return for a portion of the overall bandwidth. We requested \$469 million in the fiscal year 2012 budget request to fully fund WGS to meet Combatant Commander's bandwidth requirements. These essential systems provide our forces the vital communications needed to remain effectively coordinated, synchronized, and responsive in global operations.

For over 20 years, GPS has been the global standard for positioning, navigation and timing (PNT) and is used in everything from consumer automobiles, precision farming and smart phones, to enabling the Nation's most sophisticated weaponry and financial systems. In fiscal year 2011, we will continue to launch GPS Block IIF satellites to maintain the constellation as a global utility. The fiscal year 2012 budget request includes \$1.7 billion for PNT capability and incorporates initial funding of the next generation GPS III satellite production, development of the next-generation operational control segment and upgraded military user equipment.

Our fiscal year 2012 budget request also includes \$87 million for the Operationally Responsive Space program to pursue innovative capabilities that can be rapidly developed and fielded in months rather than years to respond to Combatant Commanders' immediate space requirements. In the critical areas of missile warning and SSA, we requested \$1.2 billion for the SBIRS program, which will launch the first geosynchronous satellite in fiscal year 2011 to begin our transition to a highly effective space-based missile warning system, and \$122.1 million for the Joint Space Operation Center Mission System. We will continue to improve SSA ground-based systems and space-based capabilities to ensure continued freedom to operate in the space domain. The Air Force also recognizes that space capabilities are essential to the nuclear enterprise for its operational readiness, providing key decisionmaking information through missile warning and nuclear event detection, along with essential communications. Weather and forecasting data is another important source of information for our forces in peacetime and in conflict. We requested \$444.9 million for the Defense Weather Satellite System in fiscal year 2012. This system will replace the Defense Meteorological Satellite Program in the early morning orbit slot, ensuring continuity of detailed overhead weather imagery and sensing information. All elements of space capability must operate through the full spectrum of potential contingencies.

While participating, last year, in the DOD's development of the national long-term space strategy as part of the Space Posture Review and Quadrennial Defense Review, the Air Force recognized a need to review our own internal space governance

structure to better position us to properly execute the direction resulting from these reviews. During our review, the position of the Under Secretary of the Air Force was identified as the focal point for oversight of all Air Force space activities. In addition, space acquisition responsibilities were consolidated in the Office of the Assistant Secretary of the Air Force for Acquisition. At the DOD level, the Secretary of the Air Force was revalidated as the DOD Executive Agent (EA) for Space. The EA is charged with the integration and assessment of the DOD overall space program, the conduct and oversight of long-term space planning and architecture development, and the facilitation of increased cooperation with the intelligence community. The EA also chairs the newly established Defense Space Council with representatives from across the DOD, and was directed to establish a jointly manned space office to restructure and replace the current National Security Space Office. This organization will not only better position the DOD to coordinate implementation of space policy and strategy, it will also provide the framework for the DOD's support for development of new national security space capabilities. Furthermore, the Secretary of the Air Force, in his role as the EA for Space is fully engaged with the DOD in the implementation of the recent NSP and NSSS.

CYBERSPACE SUPERIORITY

The Air Force fiscal year 2012 budget request includes \$4.6 billion to sustain and maintain our critical cyberspace capabilities and to enable Air Force expeditionary and Conus-based operations in support of Joint force commanders. The Air Force contributes to the Joint force by developing, integrating, and operating cyberspace capabilities in three mission areas: support, defense, and offense.

Cyberspace superiority enables precise force application in all domains, generates effects across the full spectrum of operations, and preserves an agile and resilient cyberspace infrastructure for assured mission execution.

Access to cyberspace is increasingly critical to meet Joint and allied requirements for freedom of maneuver in all domains. Air Force networks face a continuous barrage of assaults from State-sponsored actors, terror networks, international criminal organizations, individual hackers, and all level of threats in between. We are expanding collaboration with Service, Joint, Interagency, academic, and international partners on several cyber initiatives to safeguard our access to the cyberspace domain. To this end, we are operationalizing our approach to cyberspace with emphasis in this budget request on protecting the Air Force infrastructure, developing expertise to meet mission needs, and accelerating our acquisition processes.

The 24th Air Force, the Air Force component of U.S. Cyber Command, achieved FOC on October 1, 2010, and the Air Force will expand the cyber rapid acquisition process to cope with constantly evolving technologies. The Air Force is also aligning education and training programs with our operational approach to cyberspace to properly develop our cyberspace professionals. In December 2010, we graduated our first cadre of cyberspace operators. Additionally, efforts to enhance the cyber-related investigative and forensic capabilities resident in the Air Force are forging a solid foundation for Service and Joint cooperation. For example, Air Force Space Command transitioned the Defense Cyber Crime Center back to the Air Force Office of Special Investigations to help strengthen the ties.

The Air Force has strengthened its efforts in the support mission area by continuing work on the Single Air Force Network migration, which increases situational awareness of Air Force networks while securely improving information sharing and transport capabilities. Examples of this support are reflected in several investments in this budget. The Air Force continues to support its capability for live, virtual, and constructive simulation and training. Based on the Fort Hood follow-on review, enhancements were made to the Installation Emergency Management system to ensure a standardized, robust emergency notification system.

For the defense mission area, the Air Force invested in additional network defenders to increase protection of information vital to Joint force operations. The Air Force continues to invest in network defense tools and other advanced technologies to monitor and secure classified and unclassified networks.

In the offensive mission area, the Air Force seeks to field appropriate and sanctioned capabilities supporting assigned missions. The Air Force established formal training programs for both initial and mission qualification to provide trained forces to U.S. Cyber Command when tasked. Additionally, as the lead support agency to U.S. Cyber Command, the Air Force is responsible for the construction and installed infrastructure for the new U.S. Cyber Command Integrated Cyber Center at Fort Meade, Maryland.

COMMAND AND CONTROL

Command and Control (C²) of our forces has never been more vital or more difficult than in the 21st century. Supporting the National Security Strategy requires commanders to integrate operations in multiple theaters, at multiple levels, and across the full range of military activity. Secure strategic and nuclear C² remains an Air Force priority. The Air Force must sustain, modify, and enhance current command and control systems, and develop deployable, scalable and modular systems that are interoperable with Joint, Interagency and Coalition partners.

In fiscal year 2011, we will improve assured communication links for U.S. Strategic Command's Distributed Command and Control Node and U.S. Northern Command's National Capital Region-Integrated Air Defense System. The Air Force has also done the following: expanded the training pipelines for Joint Terminal Attack Controllers (JTACs); began fielding advanced video downlinks, and airborne radio and datalink gateways to improve the connectivity of air support operations centers and JTACs; and modernized the 1970s-era technology of the E-3 airborne C² node with the Block 40/45 program. In addition, the Air Force created pipeline training in support of the warfighting elements of the Commander, Air Force Forces theater staff.

In fiscal year 2012, the Air Force requests \$6.3 billion for full spectrum C² sustainment, replacement, and development efforts. Of note, \$19.1 million is requested to bolster the Air and Space Operations Center's (AOC) C² capability and interoperability with programmed Joint systems to execute the Integrated Air and Missile Defense mission. Secure and reliable strategic level communications are improved with a \$53.2 million request for modernization to Senior Leader Command and Control Communication Systems for senior leader support aircraft and the E-4 National Airborne Operations Center. Support to Combatant Commanders is also enhanced with almost \$60 million in fiscal year 2012 for improved airborne and mobile C² systems. The Air Force maintained our commitment to the Joint development of the Three-Dimensional Expeditionary Long-Range Radar. Three-Dimensional Expeditionary Long-Range Radar will be the future long-range, mobile ground-based sensor for detecting, identifying, tracking, and reporting aircraft and missiles in defended airspace. Additionally, the United States secured a cooperative development position in the NATO Airborne Warning and Control System avionics and navigation modernization program.

SPECIAL OPERATIONS

Geographic Combatant Commanders and U.S. Special Operations Command rely heavily on Air Force Special Operations (AFSOC) capabilities to support missions worldwide. As the DOD continues to develop capabilities effective against irregular and hybrid threats, increased Air Force Special Operations close air support, foreign internal defense and ISR capabilities will be required.

In fiscal year 2011, the Air Force will continue procurement of five CV-22s and MC-130Js for the recapitalization of AFSOC's MC-130E/P and AC-130H aircraft. The fiscal year 2012 budget request includes an investment of \$503.7 million toward recapitalization of AFSOC's MC-130H/W fleet, with an additional investment of \$26 million across the FYDP to align MC-130J program funding with OSD cost estimates. Additional investments were made to enhance CV-22 mission capability with upgraded cockpit data recording and Communication Navigation System/Air Traffic Management modifications. Finally, a low-cost engine wiring modification allowed the Air Force to realize a \$9.6 million efficiency and reduce MC-130J spare engine inventories.

PERSONNEL RECOVERY

Personnel recovery (PR) remains a vital core function in support of every contingency operation. The increased utilization of military and civilian personnel in support of OCO has significantly increased the demand for Air Force rescue forces beyond the conventional combat search and rescue mission. Air Force PR forces are fully engaged in Afghanistan, Iraq and the Horn of Africa, accomplishing lifesaving medical and casualty evacuation missions, while also supporting domestic civil land and maritime search and rescue, humanitarian assistance/disaster relief (HA/DR) and mass casualty evacuation missions.

In fiscal year 2011, the Air Force will continue to recapitalize HC-130N/P aircraft and procure H-60 Blackhawk helicopters under the operations loss replacement (OLR) program to restore the fleet to 112 HH-60G aircraft. The fiscal year 2012 request funds four HH-60G OLR aircraft, and provides a \$2 billion investment for procurement of 54 HH-60 replacement aircraft across the FYDP. We will also accel-

erate the procurement of our HC-130J rescue/tanker aircraft by procuring three aircraft in fiscal year 2012 to replace the 1960s-era HC-130P fleet on a one-for-one basis, up to 37 aircraft. Finally, the fiscal year 2012 budget funds \$73 million for the Guardian Angel program which will standardize and modernize mission essential equipment for an additional five pararescue teams.

BUILDING PARTNERSHIPS

Developing mutually beneficial partnerships with militaries around the world is vital for the Air Force. Successful partnerships ensure interoperability, integration and interdependence between Coalition forces while providing our partner nations the capability and capacity to resolve their own national security challenges. Today's engagements require Airmen to perform their duties effectively and achieve influence in culturally complex environments around the globe.

The Air Force continues to emphasize extensive language skills and regional knowledge in its growing cadre of Regional Affairs Strategists. These personnel possess a regionally focused advanced academic degree and language proficiency. They work with partner nations as attachés and Security Cooperation Officers. Political-Military Affairs Strategists and best-fit officers also fill positions requiring in-depth understanding of the interagency processes key to building partnerships. The Air Force has also increased the culture and language content of selected pre-deployment training courses and recently inaugurated a new language learning program—the Language Enabled Airman Program. This program provides an opportunity to create a cadre of language-capable Airmen who are deliberately developed for requirements, leverages the capability attained in foreign language accession programs, and provides a systemic opportunity for these Airmen to maintain these skills throughout their careers. Our fiscal year 2012 budget request includes funding to expand foreign language instruction for officer commissioning programs as well.

The Air Force continues to engage our international partners across the spectrum of operations. The fielding of the F-35, Joint Strike Fighter, will further our partnerships with more established allies, while the three C-17s procured for the 12-nation Strategic Airlift Capability are fully operational and currently meeting the airlift requirements of our European allies. We are funding new initiatives which support longer term Building Partnerships Capacity (BPC) efforts. For instance, \$65.7 million was budgeted toward the procurement of 15 Light Mobility Aircraft (LiMA) to assist partner nations in building their airlift capability in fiscal year 2011. These aircraft are scheduled to be fielded and achieve initial operating capability (IOC) in the second quarter of fiscal year 2012. We are also requesting \$159 million in fiscal year 2012 to procure the first nine of 15 Light Attack/Armed Reconnaissance (LAAR) aircraft. These LAAR aircraft will be used to train a cadre of pilots who will subsequently export their BPC aviation skills to international partners who may operate the same or similar platforms. To ensure the proper capability is provided to build partner capacity by Contingency Response Forces, LiMA and LAAR personnel, we funded the formal establishment of an Air Advisor Academy in fiscal year 2011 to expand our current efforts that include training air advisors heading to Iraq and Afghanistan and training air advisors for engagements globally. English language proficiency is a prerequisite to nearly all of the education and training that the Services provide to our partner nations. To meet increasing partner demand for English language training, the fiscal year 2012 Air Force program expands the capacity at the Defense Language Institute English Language Center.

AGILE COMBAT SUPPORT

Underpinning the work of all Air Force Core Functions are the capabilities included in agile combat support (ACS). ACS is the ability to create, protect, and sustain air and space forces across the full spectrum of military operations and spans a diverse set of Air Force functional capabilities. The fiscal year 2012 budget request of \$33.8 billion for ACS accounts for efforts affecting our entire Air Force—from the development and training of our Airmen to regaining acquisition excellence.

Airmen and Families.—The Air Force is proud of its commitment to supporting its Airmen and families. The nearly two decades of sustained combat operations has imposed extraordinary demands on them and underscores the need to remain focused on sustaining quality of life and supporting programs as a top priority. To help address the demands, in 2010 the Air Force executed the Year of the Air Force Family and highlighted support programs focused on three outcomes: Fostering a Strong Air Force Community; Strengthening an Airman's Sense of Belonging; and Improving Airman and Family Resiliency.

The Year of the Air Force Family deepened leadership's understanding of current support services and capabilities and what needs to be done in the future to maintain and improve outcomes in the three primary focus areas.

First, the Air Force will maintain an enduring emphasis on Airmen and families by actively engaging the entire Air Force Community: Total Force Airmen, Department of the Air Force civilians, single and married personnel, primary and extended family members, retirees, and on and off-base community partners. The Air Force will maintain an atmosphere that is supportive, team-oriented, and inclusive, but diverse enough to meet the current and emerging needs of the entire Air Force Community. Policy and process priorities have been translated into actions and tasks that will be accomplished over the next few years, perpetuating the Air Force's commitment to strengthening our ties to one another, improving our operational abilities and ensuring our Air Force Community is best positioned to meet future commitments and requirements.

Second, we continue to strengthen our Air Force Community by expanding child care through different programs such as the Extended Duty Program, Home Community Care, Missile Care, and the new Supplemental Child Care initiative to provide flexibility in meeting child care needs. In fiscal year 2011, the Air Force will continue to demonstrate our commitment to military child education, funding full time School Liaison Officers (SLO) Air Force-wide. SLOs and our new Air Force Exceptional Family Member Program Coordinators will work in close collaboration to address educational and other assistance for families with special needs. The Air Force fiscal year 2012 budget request includes \$4 million to assist with respite child care for military family members with special needs children.

Third, the budget reflects a \$4.4 million increase to our Air Force Mortuary Affairs program, supporting travel for family members from home of record to Dover Port Mortuary to receive and honor fallen loved ones. Increases also reflect our commitment to maintaining the Port Mortuary's Center for the Families of the Fallen, used as the reception facility and host site for visiting family members at Dover Air Force Base, Delaware.

Airman dining facilities remain an important commitment of the Air Force as we plan to increase funding for dining facilities at basic military training and technical training bases by \$14.9 million in fiscal year 2012. In fiscal year 2011, we launched the Food Transformation Initiative (FTI) to address Airmen's concerns with dining facility closings, lack of healthy food options, and insufficient hours of operation. FTI is designed to enhance food quality, variety and availability while maintaining home base and warfighting capabilities.

The Air Force continues to expand our efforts to improve resiliency of Airmen and their families before, during, and after deployments and has significantly expanded capabilities to ensure support and reintegration of our Total Force. In continuing its efforts to improve the resiliency of Airmen and their families, the Air Force moved forward with several initiatives in 2010.

We established a new Resiliency Division at the Air Force level to take the lead and develop an overarching Air Force Resiliency Roadmap. The Deployment Transition Center (DTC) was established at Ramstein Air Base, Germany on July 1, 2010. The DTC and Chaplain Corps Care for the Caregiver programs provide valuable decompression, reintegration and resiliency training for those exposed to significant danger and stress in combat zones. To support these efforts, the Air Force fiscal year 2012 budget request includes \$8 million for the Air Force Resiliency Program for research, curriculum development, materials and intervention training for the DTC. We will continue to develop our Airman Resiliency Program by identifying needs, researching best practices, partnering with internal and external organizations, and developing targeted and tiered training that is integrated into an Airman's career to allow a building block approach that leads to life-long resiliency that benefits both Airmen and their families. We are also requesting an increase in the Chaplain Recruitment program by \$1.5 million in fiscal year 2012 to better provide for religious accommodation and support of Airmen. This includes chaplain-led MarriageCare Retreats, that help heal and save marriages, and deployment reintegration programs expanded to meet the needs of redeploying Airmen.

The Air Force is highly committed to the Wounded Warrior Program that ensures access to medical and rehabilitation treatments for the ill and wounded. The Air Force Warrior and Survivor Care Division is dedicated to building a culture of understanding and concern for wounded, ill and injured Airmen. The Air Force has hired 33 Recovery Care Coordinators and a Program Manager to support 31 locations across the Air Force. Recovery Care Coordinators serve as the focal point for non-clinical case management, development of comprehensive recovery plans and creation of timelines for personal and career accomplishments. Additionally, the Air Force has implemented new personnel policies regarding retention, retraining, pro-

motions, assignments and evaluation of Wounded Warriors. In fiscal year 2012, the Air Force is requesting \$2.8 million for additional case workers and program managers to provide non-clinical case management services to meet the growing demands of the Wounded Warrior population.

Healthcare Initiatives and Costs.—As key team members of the Federal and Military Health System (MHS), the Air Force Medical Service (AFMS) is seeking innovative solutions to deliver world class care while slowing the rising costs of healthcare. For example, the AFMS is taking the lead in building the largest patient centered medical home capability in the DOD over the next 12 months. This includes the Family Health Initiative, designed to improve continuity of care and healthier outcomes. Additional emphasis is being placed on delivering better care by streamlining our hospital surgical operations and improving the experience of care. Current efforts have demonstrated recapture of services in key market areas with the overall results of reduced cost, increased currency of our surgeons, and improved patient satisfaction. In addition, the AFMS is transitioning from healthcare delivery to delivering health. Through patient-centered care, improved teamwork with our patients, and leveraging partnerships with DOD, VA and civilian institutions, Air Force medicine is shaping the future of healthcare.

Our strategy to control DOD healthcare costs is the right approach to manage the benefit while improving quality and satisfaction. Adjustments to the benefit such as raising TRICARE enrollment fees for working retirees, phasing out enrollment for some high-cost health plans, paying community hospital Medicare rates, and incentivizing the use of the most effective outlets for prescriptions is prudent. There will be limited impact (prescription only) on active duty family members. By implementing these important measures, we will be able to positively address the rising costs of healthcare and improve the health of our population.

Suicides.—Air Force suicide rates have been on the rise since 2007, although primary risk factors for suicide among Airmen remain the same. The most commonly identified stressors and risk factors have remained the same over the last 10 years: relationships, financial problems and legal problems. Although deployments can stress Airmen and their families, deployment does not seem to be an individual risk factor for Airmen—many Airmen who have committed suicide have never deployed. The Air Force is providing additional support to our most at-risk Airmen by providing additional frontline supervisor suicide prevention training to all supervisors in career fields with elevated suicide rates. In addition, mental health providers are based in primary care clinics across the Air Force to counsel patients who may not otherwise seek care in a mental health clinic because of the perceived stigma. The Air Force has significantly expanded counseling services in addition to those available through the chaplains or the mental health clinic.

Other helpful programs that provide non-medical counseling include Military Family Life Consultants, which can see individuals or couples, and Military OneSource, which provides sessions for active duty for up to 12 off-base sessions.

Fort Hood.—In the wake of the Fort Hood shooting, the Secretary of Defense directed the Air Force to conduct a follow-on review to identify ways to better protect Airmen and families. Our review yielded 118 findings and 151 recommendations. The key revelation of the study is that we must do a better job of preventing and responding to violence. Specifically, we must improve our ability to identify indicators of potential violence and share that information with those who are best positioned to prevent a violent outcome. This will require improved understanding, education, processes and training, as well as more integrated processes at both the installation and interagency levels. To undertake these efforts, the fiscal year 2012 budget request includes \$37 million across the FYDP. We anticipate that our resource requirements will increase as we refine the implementation of our recommendations. We are confident that the resources Congress provides, coupled with our sustained effort, will help the Air Force reduce the likelihood of tragedies like Fort Hood and position us to respond more effectively should prevention fail.

Information Protection.—The Air Force will enhance its capabilities to assess and mitigate risks to national security information across the enterprise. It will advance efforts to identify risks that reduce the surety of research, development, and acquisition and operations or enable potential opponents to illicitly increase their technological capabilities. These efforts will enable commanders to effectively execute intelligence-led, risk based protection across the Air Force.

Science and Technology.—Air Force warfighting capabilities have a proud heritage of being born from the very best science and technology (S&T) our Nation can produce. The creation of the Air Force is closely intertwined with the development of advances in S&T. In 2010, the Air Force presented the “Technology Horizons Study” to serve as a roadmap for guiding Air Force science and technology investments during the next 20 years. Despite current fiscal constraints, the Air Force is

increasing its investment in basic research by \$18 million and in Advanced Technology Development by \$76 million, while continuing fiscal year 2011-level investment in Applied Research.

Acquisition Excellence.—The Air Force continues to strive for acquisition excellence by increasing the rigor and transparency of its processes and by stabilizing requirements and funding. As one of our top five Air Force priorities, we have taken a multi-faceted approach to recapturing acquisition excellence to include:

- Rebuilding the acquisition workforce;
- Delivering a fully implemented Acquisition Improvement Plan (AIP) to guide and shape current and future efforts;
- Creating a foundation for a robust Continuous Process Improvement (CPI) function within acquisition; and
- Implementing approximately 75 efficiency initiatives that range in scope and impact throughout the acquisition enterprise.

Continued improvements support moving resources from “tail to tooth” to fully support the Air Force’s direct mission activities. Efficiency savings in overhead, support and other less mission-essential areas will increase funding available for our critical mission functions. The Air Force, as a good steward of taxpayer resources, is committed to delivering products and services that perform as promised—on time, within budget, and in compliance with all laws, policies and regulations.

An example of the successful implementation of recapturing acquisition excellence is the consolidation of fiscal year 2008 OCO, fiscal year 2009 OCO and base-year funding, fiscal year 2010 base-year funding, and Foreign Military Sales C–130J contracts into one negotiation. By taking advantage of economies of scale, the Air Force realized a savings and was able to procure two additional C–130Js. This effort reduced the number of aircraft the Air Force needs to buy in the out-years to meet its requirement.

Installations and Operational Energy.—The Air Force views energy efficiency as a mission enabler that can increase combat effectiveness, expand reach and minimize operational risks. The Air Force is integrating energy considerations across the Air Force enterprise with a three-pronged approach: reduce demand, increase supply, and culture change. We can identify efficiencies that increase our capabilities and reduce our costs, while also increasing and diversifying our energy supply to improve our energy security and our ability to meet our critical operational requirements. Finally, by creating a culture that makes energy a consideration in everything we do, and that values energy as a limited mission-critical resource, we ensure enduring and far-reaching utilization improvements and savings.

As part of our institutional effort to utilize energy to maximize mission effectiveness, the Air Force is requesting over \$550 million for energy initiatives in fiscal year 2012. Initiatives include investments in reliable alternative energy resources, enhancing energy efficiency, and reducing environmental impacts and life cycle costs. In addition, the Air Force is continuing to take steps to reduce mission risk by increasing critical infrastructure resiliency to ensure reliable energy availability at Air Force installations.

We have reduced energy use at facilities by nearly 15 percent since 2003, and expect to achieve nearly a 30 percent reduction by 2015. In addition, we have instituted a number of fuel saving initiatives and reduced the amount of fuel our aircraft have consumed by over 46 million gallons since 2006, despite increased operational requirements associated with ongoing operations. The Air Force is continuing to explore opportunities to reduce demand for aviation fuel. For example, the 618th Tanker Airlift Control Center is optimizing flying routes by working clearances to allow flights to transit through previously denied airspace. We can save the Air Force an estimated 2.6 million gallons of fuel per year by optimizing our flight routes and clearances. Some of the initiatives we will pursue to achieve fuel efficiencies are:

- Providing aircrews in-flight guidance on the optimum airspeed and altitude based on current flight conditions;
- Expanding the use of simulators to conduct training;
- Implementing a program, already an industry standard, that cleans components allowing the engine to run cooler saving fuel and prolonging engine life; and
- Refining fuel and cargo policies to reduce carrying costs and potentially the number of missions required to support the Combatant Commanders.

We are also increasing the energy supplies we can use to meet our mission. We have certified over 99 percent of our aircraft fleet for unrestricted operational use of a synthetic aviation fuel blend. This fuel can be produced domestically, and we are looking to industry to help us meet our needs. We are in the process of certifying our fleet to use biofuel blends as well. These alternatives provide our fleet with additional flexibility and enable our freedom of action. The Air Force is also looking

at alternative sources for energy at our facilities. In the upcoming years, we will quadruple on-base solar energy production and dramatically increase the amount of wind energy consumed. These clean sources of energy will serve to enhance our energy security.

The Air Force is working cooperatively with the Army and the Marines to reduce fuel requirements at forward operating bases by decreasing energy demand, utilizing efficient power distribution and increasing alternative supplies. These bases require generators, typically running on diesel, that require fuel to be brought in by convoy. We are working to improve the energy efficiency of our Basic Expeditionary Airfield Resources assets, commonly called BEAR, in the expeditionary environment. One of the Air Force's efforts is focused on reducing the energy demand for expeditionary shelters by 50 percent, while using photovoltaic tent flies to generate a minimum of three kilowatts per shelter. We are also working with industry to design a portable, expandable microgrid for our remote airfields. The system will integrate solar, wind and other renewable sources of energy into the existing BEAR power grid, reducing the system's reliance on traditional, carbon-based fuel by as much as 25 percent. It will be able to withstand the harsh conditions in which our military operates. More importantly, it will help reduce the inherent wartime dangers that come with delivering the fuel by convoy.

We have made significant and positive progress in reducing our consumption, increasing the energy available to the operational Air Force and changing the culture within the Air Force to ensure energy is a consideration in everything we do. Energy availability and security impact all Air Force missions, operations and organizations. The Air Force will increase warfighting capabilities, and efficiency, and help the Nation reduce its dependence on imported oil by continuing to ensure energy availability and re-engineering our business processes to become more efficient.

Reducing Excess Physical Plant and Infrastructure.—The fiscal year 2012 budget request includes a \$300 million demolition and \$100 million consolidation investment to reduce long-term fixed costs through the consolidation and demolition of unneeded facilities and infrastructure. In line with the June 10, 2010 Presidential memorandum, the Air Force intends to reduce energy use and curtail unnecessary sustainment activities by eliminating physical plant that is no longer needed.

Military Construction.—The Air Force's fiscal year 2012 \$1.4 billion Milcon request provides funding for our most critical requirements including new construction aligned with weapon system deliveries and the Combatant Command priorities. This includes projects supporting beddowns and upgrades for F-22, F-35, HC-130J, EC-130H, RPA and B-52, as well as projects supporting our mission support facilities most in need of recapitalization. The Air Force Milcon program supports the U.S. Strategic Command Headquarters replacement facility in three increments beginning in fiscal year 2012, the new U.S. Cyber Command Headquarters in fiscal year 2013, an additional phase of the Blatchford Preston Dormitory Complex at Al Udeid, Qatar, and an air freight terminal on Guam.

Additionally, the budget request sustains our effort to provide quality housing for Airmen and funds \$254 million in improvements to meet DOD performance standards to provide 90 percent of our permanent party dorm rooms in good or fair (Q-1 or Q-2) condition. The Air Force investment strategy is to fund improvements in all Q-3 and Q-4 dorms, referred to as Tier 1 dorms in the 2008 Dorm Master Plan, by 2017.

The Air Force recognizes the critical role Milcon holds in successful mission execution and is taking action to increase Milcon funding in the near years of the FYDP—the Air Force proposes to increase Milcon in fiscal year 2012, fiscal year 2013, and fiscal year 2014 by a combined \$1.8 billion over the fiscal year 2011 PB submission.

Finally, in an effort to ensure the most critical mission and infrastructure projects are funded first, the Air Force used asset management and efficient facility operations processes to evaluate Milcon requirements. In essence, the Air Force is considering how these projects and programs help reduce our out-year investment needs as part of our overall cost control strategy.

Logistics.—WSS is a vital element in sustaining Air Force readiness. The Air Force faced a \$7 billion increase in WSS requirements across the FYDP at the beginning of the fiscal year 2012 budget cycle, largely due to increasing numbers of weapon systems, such as C-17, F-22 and MQ-1/9 aircraft that use contractor logistics support. We recognized that we cannot sustain that kind of growth in requirements, so we implemented a WSS end-to-end assessment to identify efficiencies with respect to supply chain management, centralized asset management, and depot performance.

We were able to reduce WSS investment from \$7 billion to \$4 billion through efficiencies in depot and supply chain processes identified in the assessment. While we will still experience growth, this \$3 billion FYDP offset represents important sav-

ings that the Air Force applied elsewhere. Prior to the WSS end-to-end assessment, the sustainment funds requested in fiscal year 2012 would have supported 80 percent of the WSS requirement. Following the assessment, and the resulting reduction in growth, the same amount of funds requested will actually support 84 percent of the fiscal year 2012 WSS requirement.

While the peacetime flying hour program is fully funded, reprogramming may be necessary to cover increased fuel costs due to the volatility of fuel prices. Over the longer term, enactment of the DOD's legislative proposal for the Refined Petroleum Products Marginal Expense Transfer Account would reduce disruptions to operations and investment programs by providing the flexibility to meet fuel price fluctuations.

The Air Force is successfully fielding a pilot of the first increment of the Expeditionary Combat Support System (ECSS). We will conduct an independent cost estimate as part of, and in conjunction with, the ongoing Critical Change Review to assess the cost effectiveness of proceeding with additional ECSS releases that support retail and wholesale supply and depot maintenance activities. The Air Force will continue to maintain legacy logistics support systems while determining the best course of action for developing information technology tools to enhance the visibility and management of supplies and equipment.

Financial Improvements.—The Chief Financial Officers' Act provides direction for achieving a clean audit through leadership commitment, modernized government financial management systems, and strengthened financial reporting. Sound financial management helps to ensure the maximum combat capability for each taxpayer dollar. The Air Force is committed to achieving the legislative requirement for a clean audit by 2017. While 2017 is a challenging deadline for a military organization as large and diverse as the Air Force, the strong engagement of Air Force leadership, additional financial resources provided in recent years, and focus on fielding effective financial systems will help achieve it. We are focusing our efforts on the information most relevant to decision makers, and the Air Force Financial Improvement Plan is closely aligned with the DOD strategy to achieve a clean audit.

Strategic Basing.—In 2009, the Air Force established a standardized, repeatable, and transparent Strategic Basing Process. Guided by the Strategic Basing Executive Steering Group and coordinated through the lead Major Commands, over 115 basing actions have been accomplished ensuring that mission and Combatant Commander requirements are linked to installation attributes that identify those locations that are best suited to support any given mission. This process supports IOC, aircraft delivery, personnel movement, and other mission requirements. Recent improvements in the process have formalized actions to expedite simple, specialized or particularly time-sensitive basing initiatives, to support more timely decisions.

During 2011, the Air Force will utilize the Strategic Basing Process to support basing decisions for the MQ-1/9, LiMA, LAAR, and KC-X.

In developing our fiscal year 2012 budget request, we looked at ways to maximize combat capability out of each taxpayer dollar by identifying waste, implementing efficiencies, pursuing continuous process improvement initiatives and making smart investments. Recognizing the need to shift resources from "tail to tooth," the Air Force identified efficiencies across the enterprise that will enable investments in enhancements to increase our warfighting capabilities. This includes the continued pursuit of cost-effective systems that leverage existing capabilities and maximize interoperability and integration of legacy and future systems.

Our ability to project Global Vigilance, Reach, and Power is constrained by the increasing costs to design and build platforms in a particularly challenging budget environment. Our fiscal year 2012 budget request reflects the difficult choices that will allow the Air Force to provide the necessary capability, capacity, and versatility required to prevail in today's wars, prevent and deter conflict, prepare to defeat adversaries and succeed across the range of potential military operations—all the while preserving and enhancing the all-volunteer force.

We are confident in our Airmen. They are the best in the world, and we rely on them to meet any challenge, overcome any obstacle and defeat any enemy as long as they are given adequate resources. We are committed to excellence and we will deliver with your help. We ask that you support the Air Force budget request of \$119 billion for fiscal year 2012.

Chairman INOUE. And now, General Schwartz.

STATEMENT OF GENERAL NORTON A. SCHWARTZ, CHIEF OF STAFF

General SCHWARTZ. Mr. Chairman, Senator Cochran, and members of the subcommittee, I am privileged to be here today with

Secretary Donley, representing the men and women of our United States Air Force.

Our airmen continue to inspire us with their dedication and their service, quietly and proudly serving alongside their Army, Navy, Marine, and Coast Guard teammates. Every day airmen act on behalf of the American people as stewards of the Nation's trust and defenders of her security.

FULL SPECTRUM OF AIR OPERATIONS

This budget request, fully appreciating the Nation's extraordinary fiscal conditions, supports our airmen and our continuing efforts to structure the force for maximum versatility and the full spectrum of operations. This includes humanitarian relief operations in Japan, where several hundred airmen and Air Force civilians have deployed, with more on the way, to assist 13,000 Air Force personnel already stationed in Japan. Along with their joint and interagency teammates, they are all working hard to provide some measure of comfort to the victims of multiple concurrent disasters.

In the immediate aftermath, airmen at Yokota Air Base received a dozen or so commercial aircraft and more than 500 passengers that were bound for Narita International Airport in an ongoing support to Operation Tomodachi, they continue to receive more than triple the average amount of aircraft on their flight line.

Members of the 33d Rescue Squadron from Kadena Air Base in Okinawa continue to partner with their Japanese self-defense force counterparts to conduct search and rescue operations, while teammates from the 352d Special Operations Group, also from Kadena, work to open a couple of hard hit airfields, including Sendai and Matsushima.

For the world—the wide angle view, RQ-4 Global Hawks and the U-2 aircraft continue to gather imagery of the devastation, while WC-135s operate in international airspace to collect atmospheric data to support ecological awareness efforts.

Airmen who provide inter- and intra-theater airlift capability have transported more than 900 passengers, including aeromedical patients, and delivered more than 5 million pounds of cargo via C-17s, C-130s, and other airborne assets, while on the ground, other airmen have contributed to transport and deliveries of critical supplies and equipment.

Meanwhile, in North Africa, B-2 bombers from Whiteman Air Force Base in Missouri led U.S. strikes on a variety of strategic targets, for example, military command and control sites as well as air defense systems, that posed a direct threat to Libya civilian population and partner nation forces.

Other Air Force assets, F-15Es and F-16 CJs, along with a multitude of AWACs, tankers, and other support aircraft, joined coalition aircraft from Britain, France, and others to help gain control of the airspace, establish a no fly zone over Libyan opposition forces, and protect Libyan citizens from any further harm from Moammar Gadhafi's regime. The Joint Task Force Odyssey Dawn leaders closely monitor the situation and ensure close coordination and transition to our NATO allies. Airmen stand ready to continue supporting the enforcement of U.N. Security Council Resolution

1973 by providing unique air and space power for United States, allied, and coalition forces.

OPERATING UNDER FISCAL YEAR 2011 CONTINUING RESOLUTIONS

As you can see, airmen and their joint teammates are doing tremendous work on behalf of the American people, and we would be remiss to allow current budgetary pressures to adversely affect their performance and their safety. I, therefore, echo Secretary Donley's concerns about operating under a continuing resolution. Without a fiscal year 2011 Defense appropriations bill, we will have to further reduce flying hours, cancel training and exercise opportunities, delay or cancel weapon system sustainment and depot maintenance activities, and disrupt a multitude of other day-to-day activities.

Current reductions to the President's budget request not only create inefficiencies that basically reverse the efficiency measures that Secretary Gates has directed, they adversely affect military readiness and performance as well.

We appreciate your efforts to pass a Defense appropriations bill to provide for the critical needs for our uniformed men and women.

Airmen are committed to the task of leveraging the air and space power with all of its inherent versatility, and presenting to the President and the national leadership a range of strategic options to meet the following national military objectives: countering violent extremism, deferring and defeating aggression, strengthening international and regional security, and shaping the future force.

COUNTERING VIOLENT EXTREMISM

To counter violent extremism, airmen continue to make vital contributions to our Nation's strategic objective of disrupting, dismantling, and defeating Al Qaeda and its affiliates, and inhibiting their return to former sanctuaries. More than 42,000 airmen—approximately 6 percent of our force—are forward deployed worldwide. Of this group, nearly 30,000 are on a continually rotating basis to directly contribute to operations in the U.S. Central Command area of responsibility, including nearly 11,000 airmen in Afghanistan providing close air support, air mobility, personnel rescue, air medical evacuation, leadership of provincial reconstruction teams, and training to develop our partner air force.

In direct support of combatant and command requirements, we have 57,000 total force airmen—or about 11 percent of the force—who were forward stationed overseas, as well as approximately 218,000 airmen, or some 43 percent of the Air Force force—who stand nuclear alert, operate our satellites, process intelligence, surveillance, and reconnaissance data, and do much, much more.

To deter and to defeat aggression, we maintain vigilance across the entire spectrum of conflict, from our recent experience in counter insurgency operations, to more traditional roles of air mobility and precision strike.

At the upper end of the continuum, we continue to provide two of the Nation's three arms of nuclear deterrence with steadfast excellence, precision, and reliability.

And across the remainder of the operational spectrum, we will maintain robust conventional deterrence by building on our com-

prehensive portfolio of air, space, and cyber capabilities, with multirole systems that can flex to fulfill different warfighting requirements.

STRENGTHENING INTERNATIONAL AND REGIONAL SECURITY

To strengthen international and regional security, we will translate air power's inherent versatility and ability to traverse vast distances with unmatched speed, ensuring U.S. forces are globally available, yet tailored to be regionally focused. And we will continue to coordinate efforts to build international partner capabilities, which can help prevent lower intensity problems from escalating into full-scale crises. For instance, nearly 300 airmen are deployed as members of the Iraq Training and Advisory Mission Air Force, supporting the development of counterpart capabilities in some 425 specialties. Similarly, airmen supporting combined Air Power Transition Force not only advise and train Afghanistan airmen, they help to set the conditions for a viable and self-sustaining Afghan national army/air force to meet a range of security requirements.

Finally, to shape the future force we will work hard to ensure readiness, training, and equipment because mission success relies on resilient airmen as much, if not more, than on weapons systems.

CARING FOR AIRMEN AND THEIR FAMILIES

Airmen are the lifeblood of our Air Force, to whom we owe our fullest commitment—particularly our wounded warriors and their families. And during this time of sustained and frequent deployments, we will bolster our capacity to assist our airmen in managing both the obvious and the less obvious challenges of returning home from war.

We intend to continue to progress since July when we established the Deployment Transition Center at Ramstein Air Base in Germany. Nearly 1,200 personnel have attended programs to decompress and begin their healthy reintegration into family life and unit of assignment. And we will further strengthen our efforts to develop the Air Force Resiliency Program in its ongoing assessment of the fitness of the Force, which will inform our continued efforts to improve quality of comprehensive support services.

CONTROLLING DOD HEALTHCARE COSTS

In closing, I'd like to affirm my personal support for efforts to better control the cost of DOD healthcare. I respect and I celebrate the service and sacrifice of our retirees. They are, and always will be, honored members of the Air Force family. But I do believe that current DOD proposals are both modest and responsible.

CONCLUSION

Mr. Chairman and subcommittee members, the Air Force remains committed to providing global vigilance, reach, and power for America's requirements today and for her challenges tomorrow. Thank you for your continued support of the United States Air Force and for our airmen and their families.

Sir, I look forward to your questions.

Chairman INOUE. All right. Thank you very much, General Schwartz.

NEW PENETRATING BOMBER

I'd like to begin the questioning with a question on the new penetrating bomber. When is the initial operating capability planned for this aircraft?

Mr. DONLEY. We estimate initial operating capability in the mid-2020s, Mr. Chairman. This is a very important initiative for us.

Chairman INOUE. And how many do you plan to acquire?

Mr. DONLEY. Between 80 and 100 is the target. This program is very much focused on affordability and poised for technical success, lower technological risk. We plan on taking advantage of existing technologies and other programs that are mature, a streamlined management process, and a strict limitation on requirements for the system going forward as ways to control cost curves and to keep it on schedule.

Chairman INOUE. To the extent possible, realizing this is not a classified hearing, can you describe this new penetrating bomber's capabilities?

General SCHWARTZ. Mr. Chairman, the platform we envision would be a nuclear capable, optionally manned in either remotely or piloted variants, as the case may be, and it will be part, sir, of a family of systems. This will not be a lone wolf platform. It will be a platform that is part of the family of systems that includes direct and stand-off munitions, that includes intelligence, surveillance, and reconnaissance capabilities, that includes electronic attack capabilities, not necessarily all on board the aircraft, but provided, again, in a family of systems of context.

Chairman INOUE. Mr. Secretary, General, thank you very much.

The word efficiency has been used quite a bit today. When you do feel that you have realized this efficiency?

REALIZATION OF EFFICIENCIES

Mr. DONLEY. Well, Mr. Chairman, the effort to identify lower priority programs and activities and to wring out greater productivity and efficiency in our organizations and how we manage our acquisition process and other dimensions, was a major focus for the Department of Defense, including the Air Force, at the end of last year. So the \$33 billion that we have identified has been moved inside our future year defense program for over the next 5 years. So it is spread out over the 5 years. We are tracking it in about 12 different categories, and each of those categories has a lead senior official, a general officer, or a Senior Executive Service (SES) senior civilian, who is tracking the progress of that work. And much of that work has already started. We are already down the track of restructuring our air operations centers, and we are in the process of making decisions on collapsing and combining some of our headquarters activities.

The acquisition community has already booked in excess of \$600 million in savings from tougher negotiations and smarter management of our acquisition programs. So these are—also fuel is a major issue for us. We have booked about \$700 million in savings

across the—on more efficient operational and infrastructure practices to get savings from fuel.

Chairman INOUE. In bringing about this efficiency program, do you work together with other services because you are part of a team?

Mr. DONLEY. We are working with other services. Sometimes we are taking best practices, if you will, from other services and bringing them over. In the case of, for example, the evolved expendable launch vehicle (EELV), we have worked carefully with the National Reconnaissance Office and NASA to get a stable investment—in that case, an investment rather than an efficiency, but to control costs and get a stable industrial base for the EELV program. So, that has been a focus of cross-agency work, to get the best value for the taxpayer across the full scope of government interaction with that contractor.

Chairman INOUE. In describing the light attack on reconnaissance plane, you spoke of building partnership capacity. What do you mean by that?

BUILDING PARTNERSHIPS WITH EMERGING AIR FORCE

General SCHWARTZ. Mr. Chairman, many air forces we interact with can operate—have the sophistication and the resources to operate F-16 equivalent aircraft or C-17 equivalent aircraft. But the reality is, is that many nascent air forces around the world with whom we want to establish a relationship, that are strategically important, cannot afford and do not have the level of technical expertise yet to operate those kind of aircraft. And so, it is a recognition of that reality that we need to be able to interact with them with something that is not quite what we routinely operate in our own Air Force.

And, therefore, both on the lift side and on the light strike side, we are proposing to field modest aircraft that will enable us, again, to train with and advance these nascent air forces in a more resource conservative way that can be sustained by these nations.

And in the process, Mr. Chairman, what we do is not just airplane stuff, but this is really about the whole of what an air force does, from operating air fields, to having engineering capacity, to how you care medically for aviators and others, and air traffic control, and logistics. These are the things that enable an air force to fulfill national taskings, and this is what we are talking about when we address building partner capacity.

Chairman INOUE. All right. Thank you very much. My time is up.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, I am pleased to join you in thanking the leadership of the Air Force for the excellent job they are doing.

And I wonder, is it a concern to you that we may be trying to do too much, given the current economic realities that have changed the price of fuel, the cost of operations, maybe realignment of foreign governments, resource allocations to its military forces? Is it time to sit back or step back and take a new look at our obligations that we are assuming and that we are asking you to perform, and say, hey, wait a minute, you know, we really need to

start cutting back in some areas that have been perceived to be immune from cuts or sacrosanct for whatever reasons for morale. A pilot we know is not going to be interested in staying in the Air Force for a career if there is not going to be any flying hours, or if the equipment and material that they are given to use and operate is dangerous because of lack of repair and that kind of thing.

Have we gotten to a point where we need to take a hard look at some of these huge dollar amount costs that are skyrocketing, and we are just keeping on flying right up into the ionosphere with them? I worry about that. Do you?

DIFFICULT RESOURCE ALLOCATION DECISIONS

General SCHWARTZ. We certainly do. In fact, all the chiefs do. And the commitment that each of us has made is that we are not going to follow the path that has occurred in the past where the forces became hollow, Senator Cochran. We would much prefer to be good—great, if you will—and smaller than to maintain our current size, if that is what is in the cards, and not be ready and not be capable. So if the resources require us to make these trades, as painful as they are, we prefer to remain the quality Air Force and the quality Army and the quality Marine Corps and Navy that the American people expect.

Senator COCHRAN. Mr. Secretary?

Mr. DONLEY. Well, sir, I think the President's national security strategy, the space strategy, other aspects of our work are effectively addressing the issues that you raise here, trying to balance internal commitments with overseas commitments, and really broadening the aperture for how we look at national security. We recognize in the Department of Defense, certainly in the counter insurgency operations that we have experienced in the USCENTCOM area of responsibility, that this is not just momentary work. There is whole of Government work that is required here where we require the commitment and the capabilities of other Government agencies and civilian expertise to help build capacity for self-government and economic sustainability in these challenged environments. So the military solution is not the only tool that we need to apply in these situations.

I think we are also taking a broader look, and you see it in the President's policy with respect to Libya, toward coalition operations. Again, these complex political military situations we find ourselves in do not belong solely to the United States. They have a regional context. They have a global context that applies to our allies and partners in those affected regions, who need to be part of our work going forward. And so, I think you see that in the space policy as well, and I think you see a broadening perspective of how we need to work more closely with industries in the cyber field and also in reducing the cost of our acquisition process. I mean, it is getting major attention in DOD.

Senator COCHRAN. At the time the budget request was submitted to Congress for the Air Force for the next fiscal year, we did not have the Mediterranean crisis on our hands and calling on us to supply airplanes and other defense forces to that region if we are called when needed. What is the impact on the budget of this situation in the Mediterranean right now? Have you had time to assess?

Are you going to be submitting a supplemental request for the Congress to review any time soon?

OPERATION ODYSSEY DAWN COSTS

General SCHWARTZ. Sir, I can tell you that the current monetary investment is in the neighborhood of \$50 million for the Air Force for what we have already done in terms of employment, and it is substantially higher than that, of course, for the entire DOD. I am not in a position to predict whether the administration will submit a supplemental request for operations in Libya.

Senator COCHRAN. Mr. Secretary, what is your take on that?

Mr. DONLEY. Well, the first thing we did was to start tracking the additional costs. We—again, we are in conversation with the DOD Comptroller, the Office of Management and Budget, and others on how these bills will be paid, and that is unresolved. But as the Chief indicated, the cost, depending on the expenditure of munitions, has been running for the Air Force roughly \$4 million a day, so we are at the \$50 million point today. At the end of the 2-week—first 2 weeks, we will probably be in the \$70 million range, and then we will have to assess, based on the changes in operational emphasis, which the President has announced and which are underway now in which coalition partners will take a stronger role on the strike side, and the U.S. Air Force and other parts of the U.S. military will provide—continue to provide much of the enabling capabilities underneath. As that stabilizes, then we will be able to see what sustaining costs would be going forward.

Senator COCHRAN. Thank you, Mr. Chairman.

Thank you very much.

Chairman INOUE. Thank you.

Senator JOHNSON.

Secretary Donley and General Schwartz, thank you, Mr. Chairman.

Secretary Donley and General Schwartz, thank you for being here today, and thank you for your service to this country.

Secretary Donley, I appreciated speaking to you—with you in February about the proposed retirements of the B-1 fleet. At that time, you assured me that my staff and I would receive a detailed briefing in the coming weeks. Six weeks have passed. Can you tell me when we can expect a briefing?

B-1 FLEET MODERNIZATION

Mr. DONLEY. Very soon, Senator. That work is coming to closure. The Chief and I have had preliminary briefs outlining how this will work.

As you are aware, the B-1s are deployed, of course, at—

Senator JOHNSON. Yeah.

Mr. DONLEY [continuing]. Ellsworth, and also at Dyess Air Force Base, Texas and so we are working through the details of where those aircraft will come from. I can tell you, the solution will involve both bases, and it will be taking into account that the schoolhouse is at Dyess. It is not completely an apples-to-apples comparison in terms of how those adjustments are made. But we are working through the final stages of that and should have that ready for your staffs in the next week or two.

Senator JOHNSON. Mr. Secretary, how has the Air Force determined that 60 aircraft will be enough to meet both current and future operational needs?

Mr. DONLEY. Well, Senator, for the B-1 and for other aircraft in our fleet, this is a fleet management issue in terms of how much resources are available and what draw those fleets are making on our maintenance requirements going forward. And it is part, I think, of a pattern of managing a fleet across the Air Force. We have often in the past adjusted the size of the fleet by a few tails at a time to help provide the resources required to modernize the fleet, in this case, to upgrade some cockpit avionics for the B-1, make some other modifications, and also meet the increasing requirements for maintenance for this aircraft as well. So those are the factors that go into the sizing of—

General SCHWARTZ. Senator Johnson, I would only mention—
Senator JOHNSON. Yeah. Yeah.

General SCHWARTZ [continuing]. That it is important to take the entire bomber fleet—

Senator JOHNSON. Yeah.

General SCHWARTZ [continuing]. Into consideration when we address a question such as you asked, that it is the 60 or 66 B-1s, but it is also the 76 B-52s. It's the 20—

Senator JOHNSON. Yes.

General SCHWARTZ [continuing]. B-2s that we take into consideration in making that assessment.

Senator JOHNSON. Yeah. Are efforts—Mr. Secretary, are efforts still on track for the MQ-9 squadron to arrive at Ellsworth Air Force Base in early 2012? Does the Air Force still estimate the assignment of about 280 personnel to Ellsworth to support this mission? General?

General SCHWARTZ. Yes. It is still on track. It would be about 280 folks. And, again, that particular unit is part of our growth path to 65 orbits of remotely piloted aircraft capability by 2013.

Senator JOHNSON. General, the extended comment period for the Powder River Training Complex environmental impact statement ended on January 20, 2011. When does the Air Force anticipate issuing the final environmental impact statement on the proposed expansion of the training area?

POWDER RIVER TRAINING COMPLEX EIS

General SCHWARTZ. Senator, I do not have that right off the top of my head. With your permission, I would like to present that for the record.

[The information follows:]

The Air Force is preparing a Powder River Training Complex Environmental Impact Statement (EIS) for the expansion of the current Powder River Military Operations Area and Powder River Air Traffic Control Assigned Airspaces to help meet military flight training needs and enhance training capabilities in regions of South Dakota, North Dakota, Wyoming and Montana. A Federal Register Notice of Availability (NOA) for the Draft EIS was published on August 20, 2010. In response to a congressional request, the Air Force extended the public comment period beyond the required 45 days, from November 15, 2010 to January 20, 2011.

The EIS process is continuing to move forward with a target issuance of an NOA for the Final EIS in the first half of 2012. To issue the NOA, the Air Force is working to resolve all aeronautical issues identified by the Federal Aviation Administration (FAA) (a Cooperating Agency for this EIS) and to complete the consultation

process for the National Historic Preservation Act (NHPA) and the Endangered Species Act. A mandatory 30-day waiting period will begin after the NOA for the Final EIS is published in the Federal Register after which the Air Force can sign a Record of Decision. The FAA has overall authority for charting new airspace and its own procedural requirements. The FAA will consider the Air Force decision and its own findings before making the final decision on the Powder River airspace proposal.

Senator JOHNSON. Yeah. When the Air Force Financial Services Center was created, it was touted as a way to save money and promote efficiency. Now, just 5 years later, I understand the Air Force is proposing undoing many of those changes. Has the Air Force come to determine that those changes are necessary? Can you speak specifically as to what services will be sent back out to the bases, and what financial services will remain at Ellsworth Air Force Base? How many jobs, both military and civilian, will be impacted by those changes?

AIR FORCE FINANCIAL SERVICES CENTER

Mr. DONLEY. Sir, we are working through the numbers that you refer to as part of our briefing to you in the next couple of weeks, which will include the B-1 adjustments you previously referenced.

Our experience on the consolidation of financial services simply was that, with respect to military, I believe there were individual specific changes for each airman that would be more effectively accomplished, in terms of adjustments to their military pay, if we had personnel more closely connected to these airmen. And at the recommendation of our major commands, the financial management community made the decision to redistribute those folks from a centralized posture at Ellsworth Air Force Base, South Dakota back to the major commands. So that is the big picture for what is intended. We are working through the numbers, and you will get a full briefing on that in the next couple of weeks.

General SCHWARTZ. Senator, I would only add that that part of the reason this has occurred—sort of the head fake, if you will—

Senator JOHNSON. Yeah.

General SCHWARTZ [continuing]. Is that the Enterprise Resource Planning System, that was supposed to underwrite this—it is the defense integrated military human resources system (DIMHRS)—never came to pass.

Senator JOHNSON. Yeah.

General SCHWARTZ. And so, given the absence of that architecture, it became necessary to move back away from a centralized model to something more distributed.

Senator JOHNSON. My time has expired. Thank you.

Chairman INOUE. Thank you.

Senator Coats.

Senator COATS. Thank you, Mr. Chairman. Thank you, gentlemen, for your testimony here.

I wonder if I could drill down and do a specific topic, and I am trying to get my knowledge base built on this alternative engine issue.

The—I generally hold the principle view—foundational view—that competition generally results in a better product at a lower price over a period of time. And I have supported competition in systems on a number of occasions for that reason.

However, we are in a unique time now relative to our deficit, our costs. We are stretched thin. You are stretched thin. You have to prioritize in ways perhaps you have not had to do in some time. And so, I am trying to get a handle on what potential—there have been a number of estimates—potential long-term savings would be over the life of the F-35 or the engine—the 135, 136—as compared to what the cost is going to be in the short term, and potentially how that savings—potential savings could be directed to either lowering the cost per copy of the plane—and I understand some allies are concerned and some others are concerned about the increasing cost per copy of that plane—or perhaps moved and shifted to some other higher priority. So can you help me a little bit better understand that, why that decision was made? I know it was made by the Department, but how—what the Air Force take on that is?

JOINT STRIKE FIGHTER ALTERNATE ENGINE

Mr. DONLEY. Senator, I think you put your finger on it, that the Department's analysis of this issue at the highest level really was that the sure costs in the near term of funding a second engine were more clear than the long-term savings to the program, which were more murky. That economic analysis is down at the DOD level.

There are, I think, two additional perspectives on this. I know General Schwartz can add to this as well. The Joint Strike Fighter Program, is our largest program, but it has had difficulty, and we have had to restructure that program twice in the last year. We think we are getting a better handle on it, but committing to a second engine in this program now would add to the cost of the Joint Strike Fighter Program even more. And we are reallocating dollars to get this program on track, so it would be yet another brick on top of the Joint Strike Fighter Program at a time where we are trying to get control over costs in that program.

And finally, we like competition. We like the idea of having backups and backups to backups, and backups to backups in the Department of Defense. But in this fiscal environment, we need to make some tough choices about where to put marginal dollars. And in this case, we felt like the reliability that goes with modern engines compared to those of a generation or two ago justified this decision. Chief?

General SCHWARTZ. Sir, if I may just elaborate at the practical level. As the Secretary suggested, this is a question of balancing near term firm costs versus longer-term soft savings.

But fundamentally, the question for us is, a second engine means a second supply chain. It means a second training pipeline. There are costs in manpower associated with that.

The truth of the matter is that we operate a number of our aircraft with one engine. Now admittedly, it is not a single engine plane like the F-35, but the F-22 has one engine. The FA-18 EF has one engine. The big airplanes all have a single engine, although multiple engines on one machine. And so, the notion that there is inherent risk in this, based on our experience, we think that is manageable.

Equally important is that the F135 is a descendant of the F119, which is in the F-22, and we have had pretty good experience with

that. So, on balance, this is one of those close calls. I think the Secretary and I endorse the notion of competition, but the question is, what can we afford? And at the moment, the judgment is this is one of those things that we can pass on, sir.

Senator COATS. Relative to the F-22, let me ask a question about their current activities in North Africa. We have been launching a lot of Tomahawks. Would it have been more cost effective to use the F-22? Could we have accomplished the same mission at lower cost? What is your take on that?

F-22 AND ACTIVITIES IN NORTH AFRICA

General SCHWARTZ. Senator, clearly had the F-22s been stationed in Europe, both closer in proximity and, therefore, more available, they undoubtedly would have been used. But as this came together fairly quickly, the judgment was made to apply the various tools that we have in our tool kit, as we did, using the resources that were in close proximity, both in Europe, in southern Europe, in the Mediterranean, and so on. So, the fact that the F-22 did not perform in this particular mission was not an ad hominem against that weapon system at all. It really was an expedient judgment with respect to putting the plan together, to executing on a very rapid time line, and so on.

Mr. DONLEY. Just to amplify briefly as well, the F-22, of course, has some air-to-ground capability, but it is optimized for air-to-air engagements. So the air-to-ground capability is somewhat more limited than that of the F-15Es, for example, which were already available in Europe. And I would say, in terms of operational efficiency—and the Chief is more of an expert on this than I am—I would say one of the initial outcomes—very premature and still early in the Libya operation—has been just to reinforce the effectiveness and the efficiency of the bomber forces in environments, such as this, where they have been able to, with very few missions, drop lots of ordnance very accurately against multiple targets. The bomber force has proven to be very effective in this operation.

Senator COATS. Mr. Chairman, I noticed that my time is running out. Let me just say at the end here, I like to associate myself with the remarks of Senator Cochran relative to the fiscal crunch that we are now in and the need to really establish priorities. The realities are that—and I am not picking on any one service here or even the Department of Defense. Everybody that's come before me personally relative to their program or appropriation request or in public here, I have basically made the same pitch, and that is, I think it is incumbent on all of us to, in a sense, think in terms of a plan B. What if we do not get the budget line that we think we need? And I know everything has been scrubbed, and efficiencies have been built in, and so forth, but even having said that, I think it is possible that we are not going to get the numbers we need in the future. And, so, therefore I think the prioritization of, you know, what is absolutely essential, what is very, very important, but not absolutely essential, what is important, but not very, very important, and on down the line is something that we need to look at. And I know the Department is looking at that, and it is unfortunate that we are in this situation, even when it comes to national security issues. I think the reality is we are going to have to make

some of those tough decisions, and it really is going to be helpful if we are able to turn to each of the agencies and say, have you scrubbed this thing through and, because we cannot go here, but can go here, how do we do it? It is, I think, much better if you can present us with your plan as to how that can be best accomplished rather than having us try to make that determination. So I would just throw that out there as a two cents worth of counsel and advice in terms of what I think is coming down the line.

Thanks, Mr. Chairman.

Chairman INOUE. Thank you. Senator Hutchison.

Senator HUTCHISON. Well, thank you very much, Mr. Chairman.

And just following up on a couple of areas, one that Senator Coats was just mentioning. I mean, that is a realization that we all agree with. The F-35, you have said that they are performing satisfactorily, and yet you are cutting back on the production—57 aircraft over the next 5 years. And that is going to raise the price of each model approximately \$5 million per unit. So I just would ask in that context, is that saving money now, but paying the piper later? And what is your thinking on doing that?

F-35 PRODUCTION

Mr. DONLEY. Well, Senator, the F-35 has a long history. It has been a very concurrent program from its origins, and a very aggressive program from its origins. Bringing on new technologies, even after the F-22's capabilities and experience from that program, additional capabilities into the F-35 program. But a lot of concurrent development and planning for production that was a very high risk venture from the beginning.

Senator HUTCHISON. Now are you talking about the vertical capability factor?

Mr. DONLEY. The fact that we were building three variants at the same time. The fact that we had all our international partners in from the beginning is a good thing, but, again, a complicating factor. We had to invent new capabilities for the F-35 that had not been demonstrated previously in any other fighter platform. So, it had a number of challenges with it.

And the last 2 or 3 years of this program, we have focused very carefully on balancing the continuation of development and the need to work the kinks out of the program—before we get too far up the production ramp. And that is really where we are, making that delicate transition from development to production, where both are going on at the same time.

Senator HUTCHISON. So you are really experimenting continually, and that is why you are slowing down?

Mr. DONLEY. We have stretched out the development and slowed down the production. We paid for the additional development by taking dollars from the plan for production and putting them into the development program. So that is where we have been the last couple of years.

We have this year, I think, 32 Joint Strike Fighters across all the services proposed for this fiscal year 2012 budget. And we are building them at low rates, but they will not have all the capability that we want, so we do not want to build too many of those early.

But we are committed to this program. There have been cost increases. There is no question we are very frustrated with this, but we are also very focused on how to wring the cost out of that program where we can. But we are committed to going forward with this program. Our Air Force is committed to this program, and so are about eight or nine other allied air forces as well. So, we are committed to completing this program and getting on with it.

Senator HUTCHISON. Let me ask you on the B-1, you are cutting back, as was mentioned earlier, six of the aircraft. And yet it is certainly performing in Afghanistan on a continuing basis. You are saying that the savings in the out-years will be about \$357 million. You will reinvest in modernization about \$125 million. My question is, of course, are you thinking that that is enough modernization to get us to the mid-20s when you intend to start replacing? I am concerned that you are cutting back six, and then only modernizing at maybe a modest level. So what is the thinking there?

B-1 FLEET MODERNIZATION

General SCHWARTZ. Ma'am, your numbers are exactly right. And in 2012, we are talking about \$67 million in savings to be—with about \$32 million reinvested.

What we are doing on the airplane is what we need to do—make improvements in the cockpit, communications, and so on. It is a good airplane, as you suggested. It is serving extremely well in Afghanistan in what essentially is a close air support role. It currently flew missions in Libya departing from Ellsworth Air Force Base, South Dakota, went all the way into theater, and has since returned.

But our belief, again, based on that theme I mentioned earlier on quality is that this is a rational fleet management decision in order to maintain the remaining aircraft at the level of capability and reliability that we want for the next decade at least.

Senator HUTCHISON. And—but the 6, when they are retired, are they going to be unable to be returned if you did need them?

General SCHWARTZ. Ma'am, we have not made that decision in terms of precisely what status it would have in the bone yard. There are different levels of maintaining aircraft. My hunch would be, given the financial situation we face, that it would be in long-term storage and not immediately recoverable.

PREPARING/DELIVERING SPACE SHUTTLE "ATLANTIS" TO OHIO

Senator HUTCHISON. Let me just ask you. I was interested and also somewhat concerned about a \$14 million request for the Air Force budget for the preparation and delivery of the Space Shuttle *Atlantis* to the museum in Ohio. And I am concerned about that because presumably the administration says that they have not made a decision about those, and there are other places where the National Aeronautics and Space Administration has had a significant impact, including Houston, that very much wants to have something so significant to our history. And my question is, is that a subsidy that would give a preference to the Air Force and to Ohio, and is that warranted with this kind of a budget constraint? Secretary Donley, or either one of you.

General SCHWARTZ. Ma'am, I—

Senator HUTCHISON. Whoever would like to take that ball.

General SCHWARTZ. I would just say that whoever gets these platforms will have to have certain expenses in terms of transporting them to their ultimate destination and preparing them for safe display in a non-operational mode. So that is what these dollars were intended to do. The dollars were in our budget request. We were planning ahead, and obviously we put the 2012 budget submission together last year in anticipation of a positive decision.

I might just mention that with respect to the *Atlantis*, that platform has flown more dedicated DOD missions than any other space shuttle. Thirty-eight members of the various services flew on the *Atlantis*, so it has some legacy with respect to DOD.

Senator HUTCHISON. I understand that totally. I mean, and I relate to that. I think there are several areas that have legacy claims. I think you are one. I just hope that there is not a decision that puts it ahead of legacies in basically Florida, Houston, and California. I mean, there—I wish there were four or five that we could split up, but I was concerned that there might be an advantage already in place, and I hope that is not the case.

Thank you.

Chairman INOUE. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

General and Mr. Secretary, thank you for your testimony this morning, and thank you for your service. Appreciate it.

Talking a little bit about energy this morning, and the President is going to be speaking to that just about now, I guess, and our energy policy. I know that within the Air Force, it is my understanding now that about 99 percent of the Air Force fleet is certified for the Fisher-Tropsch process using either coal to liquids or gas to liquids technology. I think that that is—that is a good move, that it is positive. We certainly encourage that.

Back in the 2009 the Defense appropriations bill, the Air Force was directed to conduct a study on a coal to liquids plant up in Eielson Air Force Base, Alaska. And we have had conversation in previous subcommittee hearings about the status of that study and the monies that were spent.

COAL TO LIQUIDS TECHNOLOGY

The question that I have to you gentlemen this morning is, give me a little bit more of an update in terms of where you feel the Air Force is going with regard to the development of alternative fuel sources, and particularly in relation to our Alaska facilities. Our Alaska bases, as you know, we have got incredible coal supplies, incredible natural gas supplies. I happen to think that we could be the fueling station for the country in many regards.

I would also like a little bit of an update in terms of where the \$10 million kind of went in terms of studying that feasibility on the coal to liquids plant at Eielson Air Force Base, Alaska. So, if you could give me an update on that, and then kind of project out a little, if you will.

Mr. DONLEY. Sure. We have expended the \$10 million. It was divided into basically two halves. Part of that went to the Patel Corporation. I think the University of Alaska, if I'm not mistaken. Part

of the money was spent to investigate the feasibility of the basic technology and the work at Eielson, and then part of it went to the site survey work at that location. I do not have a specific outcome of that for you. I can provide that—

Senator MURKOWSKI. That would be appreciated.

Mr. DONLEY [continuing]. For the record.

Senator MURKOWSKI. Thank you.

[The information follows:]

The Air Force is interested in environmentally friendly, domestically produced and cost competitive alternative aviation fuels to enhance its energy security posture through diverse fuel sources. In support of this, the Air Force conducted several analyses to study viability of a coal-to-liquid plant at Eielson Air Force Base in Alaska using funds authorized by Congress (\$5 million for operations and maintenance; \$5 million for research, development, testing and evaluation).

The \$5 million in operations and maintenance funds was used by the Air Force, led by the Air Force Real Property Agency, to complete a mission impact analysis and a business case analysis in August 2010. The mission impact analysis determined there would be minimal impact to operational and support missions. However, the business case analysis concluded that development of coal-to-liquid production facility was not feasible due to high capital costs, limited local market for fuels, low crude oil prices (less than \$99/barrel), uncertainty in carbon requirements and sequestration, and availability of government loan guarantees to secure lower financing costs.

The \$5 million in research, development, testing and evaluation funds was used by the Air Force, led by the Air Force Research Laboratory, to complete a scientific survey and a technical analysis. Both technical reports are currently under review and thus have not been publically released. The scientific survey, which was done by the Alaska Center for Energy and Power at the University of Alaska, Fairbanks, assessed options for geologic sequestration, biological sequestration, and other carbon management and disposal options. The initial analyses do not identify any engineering issues; however, the lack of technical maturity adds high project risk.

The technical analysis performed by the Air Force Research Laboratory in February 2011, preliminarily found that, although the project is technically feasible, there are a number of significant concerns with implementation. These concerns include the disposal of generated waste (i.e., slag, coal ash, and sulfur); major environmental issues (i.e., PM2.5 emissions, ice fog formation, and effects on local hydrology, particularly ground water); transportation impacts; air emission permitting; and a chemical process hazard subject to the Department of Homeland Security's chemical security requirement.

Mr. DONLEY. At the larger level, obviously we are a primary consumer of energy. We are very interested in having developed alternative sources of energy, whether it be coal to liquid, gas to liquid, biomass, or other renewables, both for our flying operations and our installations as well. But we do not see ourselves as a manufacturer or a provider, so we are very interested in working with the rest of the Department of Defense and with the Department of Energy to sort through what the optimal aviation fuel blends will be for the future—which of those will—are not just scientifically feasible, but which are most economically viable and sustainable going forward.

Senator MURKOWSKI. Are you sorting that through now?

Mr. DONLEY. Those discussions are being undertaken at the DOE and DOD level. It is not an Air Force decision. And the aviation industry is part of this as well going forward. But not all of that work has gelled yet. As you indicated, we certified our engines for alternative sources, so we have confidence that we can fly our airplanes with these alternative fuels. So, that work is largely complete. The issue now in front of us is where will alternative fuels come from, and which will be the most economically viable. But we

are ready to buy them, and especially if they will be available at competitive economic prices.

Senator MURKOWSKI. Well, I think we would be interested in perhaps learning a little bit more as you sort through where you feel not only the most economic, but really in terms of greatest efficiencies and performance needs, because, again, we have got a little bit of everything up there. But we need that customer, and happy to be working with the Air Force—with the military to advance this.

PACIFIC RANGE COMPLEX

General Schwartz, I wanted to ask you just very quickly, your comments on the proposed enhancements to the Joint Alaska Pacific Range Complex. In my visit to Afghanistan, as we were doing the fly over, looking down over so many parts of that country, it sure reminded me of home. And your time in Alaska and your opportunity to fly over our ranges, and I am sure you, too, have noted the comparison of the extreme open spaces and big mountains and lots of snow.

The question that I have, as we look to the various proposals that are out there to modernize the Alaska Range Complex—we have got an environmental study that is underway right now—can you comment on the proposed enhancements—the value of these to the Joint War Fighter, the additional capabilities that would be provided?

General SCHWARTZ. Clearly, you know, Alaska is unique and the Pacific Range Complex is a unique installation, both in terms of its scope, the air space available, the land ranges beneath, and so on. At the moment, we have five exercises a year, three of which are known as Red Flag Alaska, and two of which are Joint Chiefs of Staff sponsored exercises yearly. That tempo we expect to remain at least at that level. And so, this is, along with just a handful of other ranges in the lower 48, this is a very important place that we, as a joint team, will continue to utilize in the years ahead. There is no doubt about that.

And so, the study that you referred to, in terms of the improvements, is not yet final, and that certainly will inform decisions as we go forward. But I think the key thing is there is not another location that has the combination of land and air space that the Pacific Range Complex does.

Senator MURKOWSKI. Well, as you indicated, that study is still underway. There have been issues that have been raised within the State about the proposed expansion. I think it is fair to say, though, that Alaskans—the Alaskan civilian community wants to work with the Air Force, with our military community, as we provide this incredible training range to the Nation.

With that, I thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Senator COLLINS.

Senator COLLINS. Thank you, Mr. Chairman.

I want to begin my questioning by just making two comments.

First, and I know the chairman and the vice chairman share this concern, I am increasingly worried about the impact not only on the Air Force, but on the entire Department, of the Pentagon hav-

ing to operate under short-term continuing resolutions. At a time when we are involved in three wars, I just think it is an irresponsible situation, and we have got to get the work done on the budget. If it cannot be done, then I really hope that we will move the DOD appropriations bill separately and to get that done, because I know it is creating very real problems. And ironically, it is going to end up increasing costs in the long term if you are having to put out stop orders, and disrupting the supply chain, and juggling your accounts. We are going to end up paying more.

So, I just—I realize I sound like a Johnny one note on this issue, but I feel so strongly about it.

Second, I do want to take a moment to recognize and thank all the Air Force personnel who have been so involved in the military operations in Libya. Regardless of my individual view on whether that is a wise operation or not, there is no doubt that as usual our military has operated superbly. And I know that the Air National Guard Air Refueling Wing in Bangor, Maine, where I live, has been playing a supporting role by refueling aircraft en route to supporting the North Atlantic Treaty Organization (NATO) operation and the efforts in Libya. So, I just want to express my thanks to the men and women of the Air Force as they are involved in this mission.

Mr. Secretary, the chairman asked you about the efficiencies that the Air Force had identified, and you indicated fuel savings would be part of those efficiencies, and Senator Murkowski also sort of followed up in that area as well. The Comptroller of the Pentagon has indicated that the increase in oil prices is increasing the cost of fuel, and that is a potentially very serious problem for the Pentagon. And obviously, the Air Force is particularly affected when there are increases in oil prices.

STRATEGIC BASING PROCESS FOR KC-46A TANKER

I understand that the Air Force is currently in the strategic basing process to select the locations for basing the first KC-46A aircraft. Earlier this year, I wrote to you encouraging the Air Force to consider the proximity of candidate bases to operational air refueling tracks. And to me, this makes all the sense in the world because it minimizes the fuel that is consumed in the time that it takes to fly from the home base to the point where the aircraft are actually refueled. And in learning more about this, because of the critical role that the Air National Guard base in Bangor has been playing with our operations in Afghanistan, Iraq, any overseas operations, I learned that taxpayers pay about \$85 per minute in fuel costs alone for the current tanker in our fleet.

My question is to you, Mr. Secretary, where—will these real world operational costs, such as the distances to operational refueling tracks, be considered in the basing criteria?

Mr. DONLEY. Senator, we are still working through the criteria. We have not settled on them yet. General Schwartz and I will be reviewing those probably in the summer timeframe. This work is scheduled to get underway to the back half of this calendar year.

First of all, we will want to take advantage of and understand completely the new capabilities that will be available through the KC-46, and take into account the operational improvements that

come with that. We will be looking at obviously the Air Force operational requirements across the United States and elsewhere, but also the Combatant Commanders' requirements in various regional contingencies. That is our starting point at this point in time. We have not zeroed down beyond that.

I would say that the current KC-135 fleet is in excess of 400 aircraft. This initial KC-46—the KC-46 buy is 179 aircraft, and it is going to take the better part of 12 years roughly to buy those 179 aircraft. So we are not going to make the beddown decisions on the KC-46 in advance of need. We need to let the time unfold as those tankers are being delivered, make sure we make the decisions in advance of but not too far in advance of need.

So, just as a reminder, there are many bases that want to be the first in the Air Force to get the KC-46, but there will be 179 of them, and hopefully modernized tankers beyond that. We will be taking the kinds of issues that you raised into consideration.

Senator COLLINS. General.

General SCHWARTZ. If you would allow me just to brag on the Air National Guard a little bit, the wing that is flying in support of Libya out of Moron, Spain is led by an Air National Guard colonel from the Pittsburgh unit, and aircraft from Bangor are there as well. So, I think the key thing is here that the Air National Guard has been all in, and we certainly salute that.

Senator COLLINS. Absolutely. They have been absolutely critical, and that base in Bangor is much busier than many active duty bases, in fact, in its refueling mission.

Just a very quick follow-up. There have been reports that can be read to suggest that you have already made tentative decisions to select 11 bases. That has appeared twice. If you have not settled on the criteria, then I assume that those reports are not accurate. General Schwartz.

General SCHWARTZ. They are not accurate. What happened was in order to run the competition for source selection of the KC-46, we had to have representative bases to look at in order to do the bed down analysis. And there were 11 bases, nine United States and two overseas. That was not presumptive in terms of what the actual bed down would be, as the Secretary suggested, in the years ahead, not presumptive at all.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUE. All right. Thank you very much. The vice chairman and I will be submitting questions for your consideration. And we thank you for your testimony this morning.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO MICHAEL B. DONLEY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

AFFORDABILITY OF AIR FORCE RECAPITALIZATION STRATEGY

Question. Secretary Donley, over the next several years the Air Force is planning to recapitalize portions of its fighter, tanker, bomber, and helicopter fleets which will cost billions of dollars per year. Given the current budgetary environment, how does the Air Force plan to afford all of these programs simultaneously?

Answer. Based on strategic and fiscal guidance, the Air Force Corporate Structure develops a Program Objective Memorandum (POM) that achieves the right balance of resources between providing capabilities for today's commitments and posturing for future challenges. During Corporate Structure deliberations, savings through efficiencies, cost growth issues, and program phasing and quantities are thoroughly reviewed to ensure the resources allocated to Air Force operations and capabilities investment are optimized to the greatest extent practical. Using this process, we intend to maximize use of every dollar in the fiscal year 2012 PB through prioritizing our requirements to meet strategic guidance, force structure management, and resource management. Strategic resource management will include evaluation of our investment in existing fleets during transition to maintain the Air Force operational capability. As resources are further constrained, more difficult decisions will be required.

Question. Secretary Donley, which recapitalization program has the largest risk of cost overruns and what is the Air Force doing to mitigate those issues?

Answer. The F-35 program, in particular, has seen significant cost growth due to a multitude of reasons, as discussed and examined in many forums. Going forward, the Air Force believes the F-35 program is on solid ground, with realistic development and production goals and a significant reduction in concurrency, as a result of the recent Technical Baseline Review. Also, the Government awarded a fixed price contract for the fourth low rate initial production lot (LRIP Lot 4) on November 19, 2010. This is the first fixed price production contract for the program, and it occurred 2 years earlier than envisioned in the acquisition strategy. With regard to engine affordability, the F-35 engine Joint Assessment Team (JAT) investigated F135 propulsion costs in 2010 and provided a should cost objective. The propulsion team is in the process of implementing the JAT recommendations with a focus in the coming year to ensure we make the necessary investments to achieve F135 cost reduction goals.

The Air Force is committed to reducing the risk of cost overruns in this and other recapitalization programs using techniques we are applying across the force; by improvements in our program management processes, including cost estimation, contracting, and acquisition strategies that emphasize competition and using proven technology when possible.

One key step to avoiding an overrun in the future is to start with an accurate estimate up front. The Air Force has made a concerted effort to utilize Fixed-Price and Fixed-Price Incentive Firm Target type contracts whenever possible and at the earliest phases of a program to stabilize costs. These incentives encourage contractor innovation to bring programs in below target cost by sharing those savings with the contractor.

The Air Force is also focused on managing the cost of our acquisition programs with continuing efforts to manage technology maturation and transfer to development, understand and reduce overhead costs, negotiate better prices, and execute more economical and efficient production rates.

The KC-46A and the helicopter recapitalization programs will use competitively selected non-developmental aircraft platforms as their foundations, thus avoiding the large cost uncertainty of development and testing of a new platform.

HEALTHCARE PROPOSALS

Question. Secretary Donley, the increases in co-pays have been proposed previously. Could you explain how these proposals are different and why they should be reconsidered by Congress at this time?

Answer. The TRICARE Prime enrollment fee was established in 1995 and set at \$230/\$460 for individuals/families. This fee has not changed in 16 years. Enrollees who pay this fee subsequently pay no TRICARE deductible (reducing the effective cost of enrollment to \$80/\$160 per year). The expectation had always been to raise the enrollment fee on a periodic basis, but this has never happened. In 2005, DOD attempted to increase the TRICARE enrollment fee by approximately 300 percent over 3 years to again have some parity with civilian health premiums. This proposal

was met by significant resistance from beneficiary organizations, and Congress ultimately decided the increase was too severe and prohibited any increase in TRICARE Prime enrollment fees. Having learned lessons from the previous attempts at increasing TRICARE enrollment fees, and out of genuine concern to not introduce unexpected and steep hikes in out-of-pocket costs, the Department has put forward the most modest fee increase possible (\$2.50 or \$5/month for individuals/families). The proposal indexes any future enrollment fees to a medical inflation rate, thereby moving to a regular and gradual increase from year to year, and also excludes from fee increase the following special populations of retirees: survivors (regardless of when or how the service member died), and medically retired military members and their families.

We believe this proposal represents a fair and responsible increase in TRICARE Prime enrollment fees, and provides a balanced approach to managing the escalating healthcare costs of our Military Health System while ensuring we continue to provide the best healthcare in the world for our warriors and their families.

REMOTELY PILOTED AIRCRAFT PERSONNEL REQUIREMENTS

Question. Secretary Donley, the Air Force has quickly expanded its unmanned aerial vehicle missions in the past few years.

How is the Air Force doing in meeting the requirement for pilots for these Remotely Piloted Aircraft (RPA)?

Answer. The Air Force is training at maximum capacity and has enough pilots to meet the current RPA requirement. Due to increased operational demands, the Air Force continues to operate MQ-1 and MQ-9 aircraft at surge manning levels. As the operations tempo slows, pilot production will enable the Air Force to begin normalizing RPA pilot manning levels.

Question. With the information being generated from this increase in Remotely Piloted Aircraft patrols, does the Air Force have enough personnel to process the additional data?

Answer. Yes. The Air Force has planned, programmed, and is fielding the requisite number of analysts to support the RPA mission growth through streamlined operations. Using streamlined crewing procedures, Air Force Distributed Common Ground System (DCGS) analysts are aligned against the highest priority intelligence requirements to address the exponential increase in ISR demand. Due to the training lead times, much of the programmed manpower increases in Air Force DCGS have not yet reached the field, but the Air National Guard, through volunteerism at its Air Force DCGS sites, has surged to help mitigate any current shortfalls. Additionally, the Air Force is taking steps to maximize the analytical effectiveness of our ISR force by (1) partnering with National Geospatial-Intelligence Agency, Air Force Research Laboratories, Defense Advanced Research Projects Agency, and industry to find and integrate automated target cueing and exploitation tools; and (2) federating mission exploitation with other military Services and Coalition partners.

SATELLITE ACQUISITION STRATEGY

Question. Over the years, the Air Force has struggled with many of its satellite acquisition programs, with schedule delays measured in years, and cost overruns measured in the billions. The budget includes a proposal to bring satellite costs under control through incremental funding and \$3.2 billion in advance appropriations for fiscal years 2013 through 2017.

Secretary Donley, what other options did the Air Force consider to control satellite costs? How much will the Air Force save under this strategy, and when do you expect those savings to start?

Answer. The Air Force is proposing the Evolutionary Acquisition for Space Efficiency (EASE) approach to address some of the cost and schedule difficulties experienced in satellite acquisition. Over the past several Program review cycles, as many of our complex satellite systems have begun transitioning from development to production programs, we have been struggling with how to most affordably procure these systems under our current policies and procedures. We have tried and employed several methods and strategies including: buying on need; inducing production pauses to spread funding requirements; stretching Advanced procurement limits in both dollar limits and number of years; breaking out components of cost from the full funding requirements (e.g. Government Support and launch operations). Unfortunately, none of these options could address the bottom line of overall efficiency and affordability to these systems, and instead often created more inefficient behavior in order to balance budget issues. OSD-CAPE has collected and analyzed comprehensive satellite development and procurement data on both unclassified and

classified programs over the past several years. The EASE strategy incorporates the cost efficiencies demonstrated in block buying of large satellite systems, within the constrained budgetary environment. The Air Force envisions implementing the EASE concept to drive down costs, improve stability in the fragile space industrial base, invest in technology that will lower risk for future programs, and achieve efficiencies through block buys of satellites.

The satellite unit cost savings gained from this strategy will vary by program. The estimated savings for the Advanced Extremely High Frequency (AEHF) block buy in fiscal year 2012 is greater than 10 percent but is contingent on contract negotiations. Through aggressive negotiations with the contractor, the Air Force will work to achieve the best possible savings for the taxpayer at AEHF contract award in fiscal year 2012. Savings realized through block buys will be reinvested in research and development for technology enhancement to advance mission area capabilities.

AIR FORCE ROLE IN LIBYA

Question. Secretary Donley, now that there is an agreement that NATO will assume command and control responsibility for the no-fly zone over Libya and that the role of the U.S. forces is projected to decline, do you have a cost estimate for the Air Force operations to date and the anticipated costs to continue this level of support to coalition forces?

Answer. The Air Force's costs for the first 14 days of operations were \$75 million, or \$5.4 million per day. With NATO assuming command and control responsibility for the no-fly zone over Libya, the projected costs will decrease to approximately \$1.1 million per day. If operations continue through the fiscal year, the Air Force's estimate is an additional \$199 million, bringing the total to \$275 million for the entire operation. If the cost to replace munitions is included, this estimate would increase by \$48 million, to \$323 million.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

LARGE MILITARY AIRCRAFT DEFENSE INDUSTRIAL BASE

Question. The ability of the U.S. industrial base to support the production of large military aircraft is a growing concern. Today C-17 production shutdown is imminent. A former Commander of Air Mobility Command testified before Congress that, I would like to see the C-17 line stay open, because it's our only insurance policy right now if anything else goes wrong or if there's another development that we need to look at. Instead of preserving the insurance policy and the industrial base, we are conducting a study of how to store the tooling for potential future use. A restart of this production capability in the future would cost billions.

How are we going to protect our vitally important strategic airlift capability and maintain America's current leadership in the area of producing large military aircraft?

Answer. The Air Force is conducting a major Aircraft Industrial Base study that is expected to complete in the summer of 2011 and results from this study should help inform Air Force decisions impacting the industrial base. The Air Force is concerned with maintaining and enhancing its ability to perform all 12 of its Core Functions to include rapid global mobility. We depend on the industrial base to design, develop, produce, and sustain the components and systems used to perform these Core Functions; however, the simple reality is our leadership, in any of these functions, comes with a price tag. In the current fiscal planning environment, it is clear the Air Force must take a very critical look at its processes and programs to improve efficiencies and increase our internal multipliers. The results of these analyses will be reflected in future budget requests; however, it is imperative that our investment decisions provide the capabilities the Air Force needs to continue to fly, fight, and win in air, space, and cyber.

Question. What are you doing to maintain the U.S. industrial base and ensure our Nation retains its technology and capability edge in supporting and winning future wars?

Answer. The Air Force is concerned about the current and projected state of the domestic industrial base, particularly with respect to its capabilities to support emerging Air Force requirements across the three Air Force domains air, space, and cyber. We recognize that today's fiscal realities will drive some very difficult budget choices. In that regard, it becomes even more critical for the Air Force to make data-driven investment decisions whether on research, engineering design and development, sustainment, or weapon systems upgrades. The Air Force is working with the Office of the Secretary of Defense as it leads a sector-by sector, tier-by-tier review

of the current network of the Department's suppliers. We expect this initial review, and subsequent updates, to provide all of the Department of Defense with a shared view of how the industrial base segments interface to support each of our capabilities. With this knowledge of the industrial base, the Air Force will be better informed so that our investment decisions can preserve the critical domestic industrial base capabilities needed for the Air Force to continue to fly, fight, and win in air, space, and cyber.

Question. What alternatives do you see for future airlift production if the C-17 production line shuts its doors and closes?

Answer. The United States has a diverse aerospace industrial base with sales in 2010 of over \$200 billion as reported by the Aerospace Industries Association [Source: AIA, 2010 Year-end Review and Forecast, accessed at: http://www.aia-aerospace.org/assets/YE_Analysis.pdf on April 8, 2011]. While aircraft designed and produced to enable the Air Force to perform our rapid global mobility Core Function do differ from their commercial cousins, there are commonalities in areas such as avionics, propulsion, environmental controls, and others. In the past, the Air Force has leveraged both the intellectual and physical assets of the commercial aerospace industry and we expect to do so in the future. In those areas needed to provide military-unique capabilities, the Air Force uses its research and development programs to grow those capabilities.

Question. Is modernizing the C-5 fleet the most cost effective means of meeting the U.S. military's strategic airlift requirements?

Answer. During the C-5 Reliability Enhancement and Re-engining Program (RERP) Nunn-McCurdy certification process, the Department examined several alternatives for meeting strategic airlift requirements. In the final analysis, a restructured C-5 RERP (or C-5M) effort of 52 aircraft was certified as the least costly alternative to meet strategic airlift requirements. Subsequently, the Mobility Capability and Requirements Study 2016 (MCRS-16) demonstrated that a strategic airlift fleet with the capacity to provide 32.7 million ton miles/day (MTMs/D) was sufficient to satisfy the most demanding case in the study. The programmed fleet with a mix of 222 C-17s, 52 modernized C-5Ms, and 59 legacy C-5As provided MTMs/D in excess of the 32.7 MTM/D requirement. It is not cost effective for the Air Force to maintain aircraft in excess of requirements; therefore, a plan to retire 32 excess C-5A aircraft will be executed assuming fiscal year 2010 National Defense Authorization Act fleet limits are lifted by Congress.

HELICOPTER ACQUISITION

Question. I understand that the Air Force is planning to replace their Combat Search and Rescue helicopters with an upgraded version of the HH-60 they are currently flying. I am also told that the Air Force plans to replace the UH-1 Huey's currently being used for force protection at the ICBM fields and for transport of government officials in the event of an emergency in Washington, DC with the Common Vertical Lift Support Platform (CVLSP). There seems to be a disconnect in the Air Force message regarding the sourcing of this helicopter. In February, Lieutenant General Jim Kowalski of the Air Force Global Strike Command told reporters he wanted to avoid competition while last week, Secretary Donley told the Senate Armed Services Committee that he is "absolutely sure competition will be involved".

What is the Air Force's plan for sourcing the Common Vertical Lift Support Platform?

Answer. General Schwartz and I approved proceeding with the Common Vertical Lift Support Platform acquisition program based on a full and open competition and contract award in fiscal year 2012 leading to an initial operational capability in fiscal year 2015. Following an Acquisition Strategy Panel in the third quarter of fiscal year 2011, we anticipate release of a request for proposal in the fourth quarter of fiscal year 2011 for a Non-Developmental Item/Off-The-Shelf solution to program requirements. Source selection will be conducted in fiscal year 2012.

Question. Will there be a competitive process or will the Air Force choose from a platform currently in production?

Answer. The Common Vertical Lift Support Platform program will award a contract on the basis of a full and open competition. However, we anticipate the request for proposal to solicit a non-developmental, off-the-shelf solution to meet the warfighters' requirements.

INCREASED INTELLIGENCE SURVEILLANCE AND RECONNAISSANCE CAPABILITIES

Question. I was pleased to hear this month that the final decision was made to base MC-12 Liberty aircraft at Beale Air Force Base in California. I understand that the MC-12 has been very successful in Iraq and Afghanistan and we are proud

to host them. Over the years, the success of our manned and unmanned intelligence, surveillance, and reconnaissance systems has been well documented. There seems to be an insatiable need for the information that these assets provide. In the fiscal year 2012 budget, the Air Force wants to procure 48 MQ-9 Reaper unmanned aerial systems and 3 RQ-4 Global Hawk systems. With this increase in platforms, there will be an increase in the amount of information available that will need to be processed and analyzed.

The intelligence professional force is already stretched thin, do you have enough personnel to support the increase in platforms both operationally and to exploit the intelligence?

Answer. The Air Force is extremely proud of California's longstanding support for all of our intelligence, surveillance, and reconnaissance (ISR) assets and personnel that are hosted at Beale AFB, California, a relationship that I hope will continue to flourish after the MC-12W Liberty fleet arrives. The concern over the ability of our analysts to analyze the amount of data being produced by a variety of new ISR platforms and sensors is certainly a valid one; however, I believe the Air Force has planned, programmed, and is fielding the requisite number of analysts in order to support ongoing mission requirements. The Air Force is taking steps to maximize the analytical effectiveness of our ISR force by (1) partnering with the National Geospatial-Intelligence Agency, Air Force Research Laboratories, Defense Advanced Research Projects Agency, and industry to find and integrate automated target cueing and exploitation tools; and (2) federating mission exploitation with other military Services and Coalition partners.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

KC-46A CLEAR WINNER

Question. The words "the clear winner" were used when referring to the Air Forces selection of Boeing to build the new tanker aircraft. Can you elaborate on how the decision was made and what aspects of their bid delineated them as the clear winner, including value and cost?

Answer. In accordance with Section M of the Request for Proposal, Boeing was rated acceptable for all subfactors in Mission Capability, Factor 1. Additionally, the difference between the Total Evaluated Prices in present value terms of the offerors was greater than 1 percent, yielding substantial savings. The Total Evaluated Price (TEP) is the sum of the Total Proposal Price (TPP), Integrated Fleet Aerial Refueling Assessment (IFARA) Fleet Effectiveness adjustment, military construction adjustment, and Fuel Burn adjustment.

Boeing was considered the clear winner because the TEP was more than 1 percent less than their competitors. In the overall source selection strategy, had both offerors' TEPs been within 1 percent of each other, the score of the non-mandatory capabilities would have been used to determine the winner. This was not the case as Boeing's TEP was more than 1 percent lower than their competitor's. Consequently, they were considered the "clear" winner.

KC-46A TIMELINE

Question. What is the current timeline for the KC-46A Tanker Program?

Answer. The contract for the KC-46A was awarded to Boeing on February 24, 2011. The Engineering Manufacturing Development (EMD) contract includes 4 RDT&E aircraft that will be converted after testing is complete into production representative aircraft. The initial flight of the KC-46A aircraft is scheduled for late calendar year 2014. By fourth quarter fiscal year 2017, the Air Force will have 18 operational aircraft. The KC-46 Program is working toward a late August Integrated Baseline Review (IBR) that will generate a Program Management Baseline (PMB). This Baseline may result in an overall schedule adjustment, although that is not anticipated.

KC-46A BASING PROCESS

Question. What is the status of the KC-46A Tanker basing process and what is the timeline for the decisionmaking process?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

In support of KC-46A basing decisions, Air Mobility Command (AMC) is developing basing criteria in a way that best quantifies both operational and support requirements related to KC-46A basing from a Total Force perspective. After the criteria are finalized and approved later this year, a briefing will be made available to interested Members of Congress and their staffs. AMC will then evaluate all Air Force installations against the criteria in an Enterprise-wide Look, to identify candidate bases.

After the release of the candidate bases list, Air Force site survey teams will conduct detailed, on-the-ground, evaluations at each candidate location covering a range of operational and facility issues. The results of the site surveys will be briefed to General Schwartz and I, and we will then select the preferred and reasonable alternatives for beddown locations.

Once the preferred and reasonable alternatives are identified, environmental analysis will be conducted in accordance with the National Environmental Policy Act. The site location decision will become final after the Environmental Impact Analysis Process is completed.

KC-46A MILESTONE IN BASING PROCESS

Question. When is the next milestone in this basing decision?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

The next milestone for the KC-basing process is determining the criteria on which to analyze potential beddown locations. Air Mobility Command is developing basing criteria in a way that best quantifies both operational and support requirements related to KC-46A basing. After the criteria are finalized and approved by the Secretary later in 2011, a briefing will be made available to interested members of Congress and their staffs.

KC-46A BASE SELECTION AND NUMBER OF AIRCRAFT

Question. When do you expect to identify the bases selected to house the KC-46A and how many aircraft they will receive?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

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Once the preferred and reasonable alternatives are identified, environmental analysis will be conducted in accordance with the National Environmental Policy Act (NEPA). The Secretary and Chief of Staff site location decision will become final after the Environmental Impact Analysis Process is completed. No specific dates/timelines have been identified for the preferred alternative decisions and no final decision dates can be identified until NEPA actions have been completed.

KC-46A BASING CRITERIA

Question. When will the Air Force share the basing criteria for the KC-46A?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me.

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QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

B-1 FLEET REDUCTIONS AND CONSOLIDATION

Question. During the last round of B-1 fleet reduction and consolidation, the Air Force said that they would reinvest the savings into the B-1 fleet and additional investments would be made in B-1 modernization. Unfortunately, over the years, much of that funding did not materialize. Now we again find ourselves being told that there's a need to cut the B-1 fleet and that some of the savings would be reinvested in B-1 modernization.

Secretary Donley, what reassurances can you provide that this time when the Air Force says it will reinvest the savings, it means it?

Answer. During the previous round of B-1 fleet reductions and consolidation, the Air Force did reinvest in capability enhancements based on anticipated program performance. Today's ongoing modernization efforts, critical to the continued viability of the B-1 fleet, were born as a result of funding made available from previous fleet reductions, as well as the cancellation of the Defensive Systems Upgrade Program in 2002 due to cost and schedule overruns. The Air Force fully intends to make the required investments in B-1 modernization to ensure the remaining fleet is viable to conduct its assigned missions. These actions also contribute toward the objectives of the 2010 Quadrennial Defense Review; to rebalance capabilities to prevail in today's war while building the capabilities needed to deal with future threats.

The retirement of six B-1s will provide a total savings of \$61.9 million in fiscal year 2012 in procurement and sustainment funding. Of these savings, the Air Force is reinvesting \$32.9 million in fiscal year 2012 into critical B-1 sustainment and modernization programs to ensure the health of the remaining fleet. These programs include procurement and installation of Vertical Situation Display Upgrade and Central Integrated Test System sustainment efforts, Fully Integrated Data Link capability upgrade, and procurement of critical initial spares for these modifications. The Department applied the remainder of the savings from the B-1 reduction to other Air Force and Department of Defense priorities including strengthening the nuclear enterprise.

Question. I appreciate the Air Force's efforts to pursue alternative fuels. I am told that alternative fuel producers would require contracts of 15 to 20 years in order to attract the private financing needed to build a "first-of-a-kind" plant.

Does the Air Force have sufficient statutory authority to enter into contracts of this length for alternative fuels?

As the largest buyer of fuel within the government, DOD could catalyze the development of multiple plants and technologies to produce domestic alternative fuels, particularly jet fuel. In order to do so, it is my understanding that DOD would need to enter into long-term (15-20 year) supply agreements with fuel producers, which would allow those producers to attract private investment to build the plant(s) that would make the fuel to meet the military's needs. However, currently there is uncertainty surrounding what authority the Pentagon has to enter into long term agreements.

Question. How do you anticipate using these contracts to get new domestically produced alternative fuel plants up and running to meet the military's goals?

Answer. Currently, over 99 percent of the Air Force fleet is certified for unrestricted operational use of a 50/50 synthetic fuel blend, where the synthetic component is produced via the Fischer-Tropsch process. The Air Force is in the process of certifying the RQ-4, commonly called the Global Hawk, which represents the only remaining Air force-owned platform not yet certified, and is working with the Navy to test and certify the CV-22 and F-35. Both airframes are Navy-owned assets.

The Air Force is positioning itself to integrate cost competitive, environmentally friendly, domestically produced alternative fuel blends by 2016, and will purchase available alternative fuel blends if they meet the Air Force technical, legal, environmental and economic requirements. Currently, there is no significant commercial scale market in place that is developing sufficient enough quantities at price cost competitive with traditional JP-8; however, even the limited production is yielding falling prices for alternative aviation fuels.

Question. Can you also tell me when the Air Force expects to conclude testing of Fischer-Tropsch fuels?

Answer. Certification activities are expected to be completed for the synthetic fuel blend by the end of 2011 completion. To date, no performance or safety-of-flight anomalies have been identified.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NEW PENETRATING BOMBER AIRCRAFT PROGRAM

Question. Secretary Donley, how is the Air Force going to be able to afford to buy this new long-range bomber given other high costs Air Force programs, such as, the Joint Strike Fighter aircraft, the new aerial refueling tanker aircraft, and satellite programs?

Answer. The fiscal year 2012 Air Force budget request represents a careful balance of resources among Air Force Core Functions necessary to implement the President's National Security Strategy and our Nation's defense. The Air Force realizes that it must balance between today's operations and investments to develop capabilities for the future.

The fiscal year 2012 budget request incorporates over \$33 billion in efficiencies across the Future Years Defense Program to improve business practices and eliminate excess troubled or lower priority programs. By consolidating organizational structures, improving acquisition processes, procurement, and streamlining operations, we have been able to increase investment in Core Functions, such as global precision attack in ISR in space and air superiority, and enhance combat capability through such programs as the new penetrating bomber.

The DOD aircraft procurement plan for fiscal years 2012–2041, presented to Congress on April 12, 2011 provides a comprehensive look at the Department of Defense's plan to ensure we have the capabilities needed to meet current and projected national security objectives, while prudently balancing security risks against fiscal realities.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

KC-46A BASING AND ACTIVE DUTY ASSOCIATE UNITS

Question. Secretary Donley, it was of interest to me that of the National Guard bases among the 11 bases included in the KC-X RFP each of them had an active duty "associate unit." Given your previous comments that these bases are not tied to the actual bed down selection process, can you reassure the committee that the presence of an associate Active Duty Unit will not be a requirement for National Guard candidate bases competing in the KC-46A basing process?

Answer. The Air Force is using its Strategic Basing Process to determine the future locations for the KC-46A. Our Strategic Basing process uses criteria-based analysis and the application of military judgment, linking mission and Combatant Commander requirements to installation attributes to identify locations that are best suited to support any given mission. The results of this analysis will be used to inform the basing decisions made by General Schwartz and me. There is nothing in this process to preclude an Air National Guard base from competing.

In support of KC-46A basing decisions, Air Mobility Command (AMC) is developing basing criteria in a way that best quantifies both operational and support requirements related to KC-46A basing from a Total Force perspective. After the criteria are finalized and approved, a briefing will be made available to interested Members of Congress and their staffs. AMC will then evaluate all Air Force installations against the criteria in an Enterprise-wide Look, to identify candidate bases.

After the release of the candidate bases list, Air Force site survey teams will conduct detailed, on-the-ground, evaluations at each candidate location covering a range of operational and facility issues. The results of the site surveys will be briefed to General Schwartz and I, and we will then select the preferred and reasonable alternatives for beddown locations.

Once the preferred and reasonable alternatives are identified, environmental analysis will be conducted in accordance with the National Environmental Policy Act. The site location decision will become final after the Environmental Impact Analysis Process is completed.

QUESTIONS SUBMITTED TO GENERAL NORTON A. SCHWARTZ

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

HEALTHCARE PROPOSALS

Question. General Schwartz, I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most basic benefits we can provide to the men and women serving our Nation and I also believe it is one of the most effective recruiting and retention tools you have at your disposal. The Department of Defense is proposing several changes to the military health system that could go into effect as early as October of this year.

Do you support these cost saving measures? Could you please explain what impact they might have on recruiting and retention?

Answer. As stated in our February 11, 2011, letter, I strongly support these modest changes to the military healthcare program in the fiscal year 2012 budget request.

I believe we have included the appropriate safeguards to ensure a careful and measured approach to protect our most vulnerable beneficiaries, while continuing to provide free healthcare to our active duty personnel. Additionally, all Services and the TRICARE Management Activity have looked internally to identify efficiencies and incorporate those into the system before the decision to pursue these changes.

Our commitment to our beneficiaries remains unchanged, with continued investment in wounded warrior care and enhanced access to superior health services to all our beneficiaries. I believe these changes to the military health system are critical to our continuing to provide the finest healthcare benefit in the world while also slowing the cost growth in that same healthcare system.

While there are many dynamics that impact military recruiting and retention, we do not believe the proposed change to TRICARE fees for working age retirees will adversely impact our recruiting and retention. Without these adjustments, we will need to reduce funding in other areas such as those programs supporting Airmen and their families. The latter funding reductions would more adversely impact recruiting and retention.

REMOTELY PILOTED AIRCRAFT PERSONNEL REQUIREMENTS

Question. General Schwartz, what is the status of using technology to ease some of the burden of processing, exploiting, and disseminating the additional data derived from the increase in Remotely Piloted Aircraft flights?

Answer. The Air Force is aware of the enormous tasking, processing, exploitation, and dissemination burden that the rapid expansion in the number of intelligence, surveillance, and reconnaissance (ISR) Remotely Piloted Aircraft missions is placing on our ISR analysts. While automation cannot completely replace the need for human analysis, the Air Force is taking the following steps to maximize the analytical effectiveness of our ISR force:

- Partnering with the National Geospatial-Intelligence Agency, Air Force Research Laboratories, Defense Advanced Research Projects Agency, and industry to find and integrate automated target cueing and exploitation tools that reduce overall analyst workload.
- Working with other military Services and Coalition partners to federate mission data, employing technology and forming habitual relationships to bring to bear more intelligence expertise from distributed locations.

The long-term solution for reducing the burden on Air Force analysts is through the continuous evaluation and integration of available technologies while also leveraging industry, other Service, and intelligence community investment in emerging technologies.

AIR FORCE ROLE IN LIBYA

Question. General Schwartz, now that there is an agreement that NATO will assume command and control responsibility for the no-fly zone over Libya and that the role of the U.S. forces is projected to decline, how dependent will the coalition air forces be on continuing U.S. support for fighter and tanker aircraft and intelligence, surveillance, and reconnaissance (ISR) assets to enforce the no-fly zone?

Answer. The Air Force will provide tanker and ISR support to meet NATO requirements. Strike support is in reserve and will require additional coordination between NATO and the United States.

Question. Will you have to reallocate assets from other ongoing operations in the region to continue to provide this level of support to the coalition?

Answer. No reallocation is anticipated at this time.

Question. How long do you expect this operation to continue?

Answer. The Air Force cannot speculate on the length of the Libya operation; however, the Air Force will provide capabilities as long as our civilian leadership deems this support vital to U.S. national interests.

Question. General Schwartz, could you tell us what types of aircraft and capabilities the coalition nations are contributing to enforce the no-fly zone.

Answer. Coalition forces provide the following capabilities: Strike (Mirage, Tornado, F-16); Air Intercept (Rafale, F-16); Command and Control (E-2, E-3); Air Refueling (KC-135F, VC-10, KC-150); Intelligence, Surveillance, Reconnaissance (ISR) (specific aircraft are classified); and Theater Airlift (C-160).

ROLE FOR F-22 IN LIBYA

Question. General Schwartz, there has been speculation in the press as to why the F-22 has not participated in Operation Odyssey Dawn over Libya. Could you explain why the F-22 was not used?

Answer. Whenever forces are required to support an operation, they are allocated via Global Force Management, a joint structure to identify and provide the most appropriate and responsive force or capability that best meets the Combatant Commander's requirement. For Operation Odyssey Dawn, adequate capabilities were available in Europe to meet the Combatant Commander's needs.

Question. Was the F-22's limited air-to-ground capability a factor in the decision not to deploy it?

Answer. The F-22's air-to-ground capability was not a factor in the deployment decision. The Air Force had sufficient assets available in the area of responsibility to satisfy the Combatant Commander's request to accomplish the desired mission sets.

Question. General Schwartz, do you have a funded program to upgrade the F-22's air-to-ground capability? How much will it cost?

Answer. Yes, the F-22 has a funded program to upgrade the F-22s air-to-ground capability. Follow-on Test and Evaluation for F-22 Increment 3.1 began in January 2011 and is expected to be complete in June 2011 and will begin fielding in July 2011. Increment 3.1 will add air-to-ground capabilities including electronic location of surface threat emitters, radar ground mapping, and carriage of small diameter bombs.

Note, these upgrades are in addition to current F-22 air-to-ground capabilities provided through internal carriage and supersonic delivery of two 1,000 pound Joint Direct Attack Munitions.

The fully funded Increment 3.1 retrofit program will cost \$150 million in fiscal year 2011 through fiscal year 2016.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

PRIMARY AIRCRAFT AUTHORIZED BY TRUAX FIELD, WISCONSIN

Question. Recently, the Air Force and National Guard Bureau announced a decision to reduce the Primary Aircraft Authorization at Truax Field in Madison, Wisconsin from 18 to 15 F-16 fighters. I understand that this was part of a larger reduction in the Primary Aircraft Authorization for F-16 fighters, which is being implemented over several years at many bases.

Did the Air Force consult the leadership of the Wisconsin Air National Guard in this decision? When was the decision made to reduce the Primary Aircraft Authorization at Truax Field, and when were the Wisconsin Air National Guard leaders informed of the decision?

Answer. The decision to reduce the Primary Aircraft Authorization at Truax Field was made early in 2006 as part of the fiscal year 2008 President's budget request. The leadership of the Wisconsin Air National Guard was informed of this action in December 2010 by the Director of the Air National Guard, approximately 4 months prior to the planned official force structure announcement.

Question. I understand that the decision to reduce the Primary Aircraft Authorization at Truax Field will lead to the loss of one full-time technician job and 76 drill-status guardsmen.

How will the people in these positions transition into other jobs and responsibilities with the Wisconsin Air National Guard?

Answer. With regard to the 76 drill-status guardsmen positions that will be affected by the reduction of primary aircraft authorization at Truax Field, there are provisions in written guidance, (Air National Guard Instruction 36-2101), that allow for the reassignment of personnel based on force structure changes. These force

management decisions would be made by the wing commander and the squadron commanders of the units affected in conjunction with State Headquarters Human Resources department. The National Guard Bureau would function in an advisory capacity to assist units with interpreting the above mentioned guidance and on how best to apply it to their situations.

In regard to the one full-time technician who is impacted by the reduction of the primary aircraft authorization at Truax Field, Wisconsin, there are provisions in written guidance, reference TPR 300, The Technician Personnel Regulation and TPR 303, The Military Technician Compatibility Program, that provide procedural directions based on force structure changes and manpower criteria. The National Guard Bureau, J1-Technician Program Division, will function in an advisory capacity to assist the Wisconsin Joint Forces Headquarters-HRO to execute the proper notification procedures, in compliance with the Technician Program Regulations, to reassign this technician into another full-time technician position that will closely align with their current position series, pay, duties, and responsibilities.

Question. On March 18, 2011, the Air Force Magazine reported that senior Air Force leaders are concerned about a shortfall in fighters over the next several years.

Given this concern, is this the right time to reduce the Primary Aircraft Authorization for F-16 fighters in the Air National Guard?

Answer. The Air Force manages a balanced Total Force mix of approximately 1,200 Primary Mission Aircraft Inventory and 2,000 Total Aircraft Inventory combat fighter aircraft to execute the National Defense Strategy at a moderate risk level. The small aircraft reduction in the Air National Guard F-16 fleet transitions aircraft to the Backup Aircraft Inventory while retaining them in the total aircraft inventory. The Air Force's warfighting analysis accounted for this planned F-16 reduction over the recent budgetary cycles since it was implemented in the fiscal year 2008 program. The reduction does not increase current shortfall projections, but rather was a deliberate decision to accept near term risk while bridging to a fifth generation fleet.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

ANALYSIS OF ALTERNATIVES ON JSTARS GMTI

Question. We understand that Air Combat Command (ACC) is finalizing an Analysis of Alternatives (AOA) on the Joint STARS Ground Moving Target Indicator (GMTI) Mission Area, which is planned to be completed this year.

Is the Air Force looking at efficient alternatives such as existing systems like the Navy P-8 that DOD has already invested in as an alternative for Joint STARS?

Answer. The ACC analysis underway is studying 29 alternatives ranging from existing systems to future concepts. The 29 alternatives being evaluated were provided by both the Office of the Secretary of Defense, Cost Assessment and Program Evaluation (OSD-CAPE) and identified via industry days. The analysis is considering the P-8 option, future KC-X platforms, a Business Jet, multiple remotely piloted aircraft (RPA), and an airship among others.

Question. Would the re-engining of the E-8 platform create a significant increase in the fleet's overall mission capability and what is the cost of that program?

Answer. We believe re-engining the E-8 would increase overall mission capability. However, until the results of both the analysis of alternatives and the Fleet Viability Board are complete and presented, it is premature to invest in fleet-wide re-engining.

Question. Beyond re-engining, are the current E-8 cockpits fully compliant with all operational requirements?

Answer. Yes, the E-8 cockpit is currently fully compliant. ACC is working an avionics Diminishing Manufacturing Source (DMS) program to ensure the E-8 is compliant with pending FAA/ICAO regulations.

Question. What would be needed to upgrade the E-8 to the same capabilities as a P-8 AGS and how much would the program cost?

Answer. Until the results of both the analysis of alternatives and the Fleet Viability Board are completed and presented, it is premature to speculate in favor of one system or another. We will know much more as these studies report out.

Question. When will the new AOA be completed?

Answer. The analysis of alternatives is scheduled to complete by September 2011.

Question. What specifically will be addressed in the AOA?

Answer. As detailed in the original Resource Management Directive 700 direction, the analysis of alternatives team will evaluate materiel solutions to fulfill all, or part of, the Departments overall Synthetic Aperture Radar/MTI requirements. The

team was further instructed by OSD-CAPE to investigate alternatives to replace, refurbish, modernize JSTARS and to support acquisition of JSTARS replacement, refurbishment or other SAR/MTI system(s).

Question. Will the Air Force consider other platforms in lieu of the E-8, such as capitalizing on other DOD programs with similar requirements?

Answer. The ACC analysis underway is studying 29 alternatives which were provided by both the Office of the Secretary of Defense, Cost Assessment and Program Evaluation (OSD-CAPE) and identified via industry days. The analysis is considering the P-8 option, future KC-X platforms, a Business Jet, multiple remotely piloted aircraft, and an airship among others.

QUESTION SUBMITTED BY SENATOR TIM JOHNSON

B-1S IN LIBYA

Question. To what extent are B-1s being used in Libya?

Answer. B-1B aircraft based in Continental United States (CONUS) were utilized in support of Operation Odyssey Dawn. A pair of B-1 aircraft conducted two sorties, striking over 40 fixed targets in Libya in order to protect the Libyan population as outlined in United Nation Security Council Resolution 1973. This marked the first time CONUS B-1 aircraft were launched to strike overseas targets. CONUS aircraft were utilized to minimize impact to OND/OEF missions. Currently, B-1 aircraft are not directly tasked in support of Operation Unified Protector (previously Operation Odyssey Dawn); however, aircraft remain postured to support Global Strike Command missions if tasked.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NEW PENETRATING BOMBER AIRCRAFT PROGRAM

Question. General Schwartz, your prepared testimony indicates that the Air Force is developing a new long-range, penetrating bomber with a focus on affordability. Our experience with the B-1 and B-2 bomber programs resulted in very high development and production costs for relatively few aircraft. Can you share with the Committee in further detail how the Air Force plans to meet requirements while controlling costs and maintaining schedule on this new bomber program?

Answer. The new penetrating bomber program is very much focused on affordability, constraining requirements, and lowering technological risk. The program will use a streamlined management and acquisition approach to balance capability with affordability. The new bomber will use existing, mature technologies and leverage systems and subsystems from other programs to the maximum extent practical. Additionally, the Air Force will limit requirements based on affordability using realistic cost targets to inform capability and cost trade-offs.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

MILITARY SEXUAL ASSAULT

Question. Concerning sexual assault in the Air Force, can you comment on what is being done on the front lines of this fight to protect airmen. Is specialized training given to the most vulnerable, which studies consistently indicate are the female, junior enlisted?

Answer. All Airmen receive initial accessions training, that is scenario/vignette based education, when they first enter military service that incorporates learning what constitutes sexual assault; differences between offenders, victims, facilitators, and bystanders; and effective risk reduction strategies that include the following:

- Clearly communicate boundaries. If you are in any kind of relationship, talk with your partner. If you are unsure about what your partner wants or is thinking, ask. Don't make assumptions. State your boundaries and be aware of non-verbal communications that could send unintended messages.
- Assert yourself. If you don't want to do something, say "No" clearly. Avoid phrases meant to let him/her down easy; these are often misunderstood. "I don't know," "I don't think so," and "We'll see," can each be interpreted as "Keep on coming." When you mean no, say, "No!"
- Be "situation smart." Don't drink alone with people you do not know well or who are all drinking. Leave a public place with a peer, not alone. Don't go to a room after a night of drinking alone with another person.

- Use the buddy system. Your job may be to protect your wingman—but it's also your wingman's job to protect you. Make a plan for getting home together. Give each other feedback on how much you've been drinking to reduce the risk of assault. Develop a signal you can use when you are in an uncomfortable situation.
- Be smart if using alcohol. Drink responsibly and don't accept "freebies." Watch out for dates who try to get you drunk or high. Don't EVER leave your drink alone or accept a drink from someone else. Date rape drugs are used by perpetrators to take advantage of victims.
- Trust your instincts. You know when things don't feel right or safe. Have the intelligence and strength to trust yourself in those situations, and get out of danger. Tell your wingman you need support to get out now—then do it. Furthermore, annual refresher training incorporates the cycle of sexual assault, circumstances in which it occurs, and broad awareness of situations when Airmen may be most at risk. The Air Force is committed to eliminating behavior that may lead to sexual assault and implemented bystander intervention training (BIT): BIT is designed based on specific target populations for women, men, and leaders. Bystander intervention is a strategy that motivates and mobilizes people who may see, hear or otherwise recognize signs of an inappropriate or unsafe situation, to act. Using an interactive and dynamic model, the 90-minute courses provide basic education about recognizing dangerous situations/behavior, analyzing for best approach, and practicing effective bystander intervention strategies. The Air Force has a keen focus on key learning objectives for all of its target populations; here are key learning objectives for the women's (includes junior enlisted members) module:
 - Raise awareness of female Airmen regarding the continuum of behaviors that can lead to a sexual assault.
 - Empower female Airmen to develop concrete Bystander Intervention Strategies and problem solving competencies.
 - Foster female Airman responsibility, for ourselves and fellow Airmen, in addressing inappropriate sexual behaviors at all levels of conduct.
 Additionally, the Air Force is finalizing a Risk Reduction module designed uniquely for the female most at-risk population. The design of Risk Reduction includes education for those actions and choices individuals may make to ensure their own safety and increase situational awareness. However, this must be done carefully to avoid any inherent victim self-blame/guilt if sexually assaulted even after following all possible safety measures.
- Question.* Alcohol is prominent as a factor in reported sexual assaults and from reviewing specific cases, is an obstacle to prosecuting offenders. How are you addressing the role of alcohol in your prevention efforts?

Answer. The Air Force remains committed to eliminating situations and circumstances which may lead to sexual assault through educating Airmen in effective bystander intervention training (BIT) in separate sessions for men, women, and leaders. Since the majority of known reports involve alcohol, and the vast majority of sexual assaults are committed by males, the men's BIT module has specific learning points focused exclusively on alcohol related sexual assault. As part of the interactive, facilitated sessions, dialogue introduced includes:

 - People are always looking for a bright line where alcohol and consent are involved. There isn't one. The legal definition of consent in this area is "Words or overt acts indicating a freely given agreement to the sexual conduct at issue by a competent person." When alcohol is involved, you can't consent if you are "substantially incapable of appraising the nature of the sexual conduct at issue due to mental impairment or unconsciousness resulting from consumption of alcohol, drugs, a similar substance, or otherwise."
 - You have to look at the facts of each situation, and if there isn't "freely given agreement to the sexual conduct at issue by a competent person" because the person was too drunk to understand what was going on, there isn't consent.
 - Participants are provided an alcohol based scenario to further discussion of the issues surrounding alcohol and sexual consent. This is a highly realistic and common scenario. Most Airmen have been in this situation, either as participants or observers.
 - Alcohol impairs cognitive functioning, specifically increases focus on short-term positive outcomes, and lessens consideration of long-term negative consequences of actions. Alcohol makes it easier for individuals to cross their personal violence threshold and feel justified for using force. Perpetrator motives may vary. It takes multiple motives and the "right" circumstances when sexual assault may occur. Alcohol increases the likelihood that an individual will cross his/her personal violence threshold more easily.

After consuming two standard alcoholic drinks, cognitive impairments may include: Abstraction, conceptualization, planning, problem solving, integration of conflicting information, response inhibition, and focus on short-term rewards.

—The facilitated learning also includes highlighting some “pre-game” strategies that offenders develop in trying to facilitate sex for themselves and their friends. Examples include having punch with higher alcohol content at parties for women to drink and beer for men.

Again, the Air Force remains committed to eliminating situations and circumstances which may lead to sexual assault.

SUBCOMMITTEE RECESS

Chairman INOUE. And the Defense Subcommittee will reconvene next Wednesday, April 6, at 10 a.m., at which time we will receive testimony from defense health activities.

We stand in recess.

[Whereupon, at 11:55 a.m., Wednesday, March 30, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, April 6.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, APRIL 6, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Mikulski, Cochran, and Murkowski.

DEPARTMENT OF DEFENSE

MEDICAL HEALTH PROGRAMS

STATEMENT OF LIEUTENANT GENERAL ERIC B. SCHOOMAKER, SURGEON GENERAL, DEPARTMENT OF THE ARMY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. I would like to welcome all of you to this special hearing.

There will be two panels this morning. First, we will hear from the Surgeons General, Lieutenant General Eric B. Schoomaker, Vice Admiral Adam Robinson, Jr., and Lieutenant General Charles Green. Then we will hear from our Chiefs of the Nurse Corps, Major General Patricia Horoho, Rear Admiral Elizabeth Niemyer, and Major General Kimberly Siniscalchi.

I understand that this will be the last hearing for General Schoomaker and Admiral Robinson, and I would like to thank both of you for your dedicated service and wish you well in your future endeavors.

General Green, I look forward to continuing our work to ensure the future of our military medical programs and personnel.

Every year, the subcommittee holds this hearing to discuss the critically important issues related to the care and well-being of our service members and their families. As such, the Surgeons General and nurses have been called upon to share their insight on medical issues that need improvement and areas that are seeing continued success and progress.

The healthcare benefits we provide to our service members and their families are one of the most basic benefits we can provide to the men and women serving our Nation. It is also one of the most

important effective recruiting and retention tools we have at our disposal.

The advancements military medicine has made over the last several decades has not only dramatically improved medical care on the battlefield, but also enhanced healthcare delivery and scientific achievements throughout the aspects of medicine. The result impacts millions of Americans who likely have no idea that these improvements were initiated by the military.

While there has been significant success and momentum advanced in modern medicine and the care we provide, there is much more to be done. The Department of Defense must stay ahead of the curve and remain vigilant to the ever-changing healthcare needs of our forces and their families. Even in this challenging fiscal environment, we must continue to provide the resources required to maintain and grow the expertise needed to stay at the forefront of military medicine.

Times have certainly changed since I was a soldier. For instance, when I was injured in World War II, it took 9 hours to evacuate me. Now the military's goal is to evacuate within the so-called Golden Hour. In my regiment, for example, there were no double amputee or traumatic brain injury survivors because they died en route. Today, thanks to military medicine advancements and helicopter and other transport devices, our men and women in uniform survive these grave injuries.

Despite the great progress made by the military medical community, more and more of our troops are suffering from medical conditions that are much harder to identify and treat, such as traumatic brain injury (TBI), post-traumatic stress, and depression. I know that all of you here today are striving to address these issues, and I applaud your efforts to place more mental health providers throughout the medical facilities, and especially within primary care offices. In addition, you employ more of these specialists in theater to provide early intervention and prevent further escalation.

Due to the prolific number of medical assistance efforts being offered, there can be confusion on where to seek help. I have heard many stories of service members who have six different magnets on their refrigerators identifying a website or a phone number for where to seek help. I believe it is essential that we offer these services, both anonymously and officially, but it can also be very difficult to navigate through this maze of options that are available. It is my hope that in your efforts to provide increased and advanced services, that you work to consolidate these services and make it easier for service members and their families to find the help they need.

These are some of the issues we hope to discuss today. I look forward to your testimony and note that your full statements will be included in the record.

I wish to now call upon the vice chairman of this subcommittee, Senator Cochran, for his opening statement.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you very much.

I am pleased to join you in welcoming this distinguished panel of witnesses to our subcommittee today, the Surgeons General of our military forces. We appreciate your distinguished service, and thank you for your cooperation with our subcommittee to assess and review the budget request for the next fiscal year.

Thank you.

Chairman INOUE. All right. Thank you very much.

Our witnesses on the first panel are Lieutenant General Eric B. Schoomaker, Surgeon General of the Army, Vice Admiral Adam Robinson, Jr., Surgeon General of the Navy, and Lieutenant General Charles B. Green, Surgeon General of the Air Force.

Surgeon General of the Army.

General SCHOOMAKER. Thank you, sir.

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, thank you for providing me this opportunity to talk with you about the dedicated men and women of the United States Army Medical Department, who bring value and inspire trust in Army medicine.

As you noted, Mr. Chairman, I am joined today by my Deputy Surgeon General and our Chief of the Army Nurse Corps, Major General Patty Horoho. Some of my staff have characterized this as an awful Broadway production of "Beauty and the Beast".

Despite over 9 years of continuous armed conflict, every day our soldiers and their families are kept from injuries, illnesses, and combat wounds through our health promotion and prevention measures, are treated in state-of-the-art fashion when prevention fails, and supported by a talented medical force, including those with a warrior on the battlefield.

Army medicine partners with our soldiers, their families, our veterans, our fellow service members, and the interagency to provide innovations in trauma care and preventive medicine. We save lives and we improve the well-being of our warriors, delivering the very best care at the right time and place.

Let me discuss our work through the lens of five Es: Enduring, early, effective, efficient, and in an enterprise fashion.

We have an enduring commitment through initiatives, such as our Warrior Care and Transition Program and the soldier medical readiness campaign plan. We have an enduring responsibility as part of the military health system and with the Department of Veterans Affairs to provide care and rehabilitation for our wounded, ill, and injured for many, many years to come.

The United States Army's Warrior Transition Command, under the leadership of Brigadier General Darryl Williams, is a key part of the enduring provision of care and provides oversight of the Army's Warrior Care and Transition Program. Since the inception of these Warrior Transition Units in June 2007, more than 40,000 wounded, ill, and injured soldiers and their families have either progressed through or are now being cared for by these dedicated caregivers. Over 16,000 of these soldiers have rejoined the force, and the remainder remain—have been returned to the community with dignity and respect.

The Soldier Medical Readiness Campaign helps to maintain a healthy and resilient force. Major General Richard Stone, our Deputy Surgeon General for Mobilization, Readiness, and Reserve Af-

fairs, leads that campaign. Among the campaign's tasks are the—are to provide commanders with a tool to manage their soldiers' medical requirements, identify those medically non-ready soldiers, and reduce this population so that we can have a fully fit and capable, ready Army. The end state is healthy soldiers and increased medical readiness.

Those soldiers who no longer meet retention standards must navigate the Physical Disability and Evaluation System. Assigning disability has long been a contentious issue. The Department of Defense and VA have jointly designed a new Disability Evaluation System that integrates DOD and the Veterans Administration (VA) processes with a goal of expediting the delivery of VA benefits to service members. The pilot of the new Integrated Disability Evaluation System, or the IDES, began in November 2007 at Walter Reed. It is now in 16 medical treatment facilities, and it will be the DOD and VA replacement for this Legacy Disability Evaluation System that we have had for upwards of 60 years.

But even with this improvement, disability evaluation remains complex and adversarial. Our soldiers still undergo dual adjudication with the military rates only for unfitting conditions and the VA rates for all service-connected conditions. Dual adjudication is confusing to soldiers. It leads to serious misperceptions about the Army's appreciation of the wounded, ill, and injured soldiers' complete medical and emotional situation. The IDES has not changed the fundamental nature of the dual adjudication process. Under the leadership of our Army Chief of Staff General George Casey and the Army G-1, we continue to forge the consensus necessary for a comprehensive reform of the Physical Disability and Evaluation System, which the Army and DOD only determines fitness for duty and the VA determines disability compensation.

Our second strategic aim is to reduce suffering, illness, and injury through early prevention. Army Public Health protects and improves the health of Army communities through education, the promotion of healthy lifestyles, and disease and injury prevention.

The health of the total Army is essential for readiness, and prevention is the key to health. Examples of our practices include the implementation of the Patient-Centered Medical Home for Primary Care Delivery, something that we are doing in concert with our fellow service members, led by the Air Force, frankly, the Army's development and use of vaccines, and the early advocacy of management of battlefield concussion.

We lead in the recognition and treatment of mild traumatic brain injury, or concussion, through what's called the educate, train, treat, track strategy. Under the personal leadership of the Vice Chief of the Army, General Pete Chiarelli, and refined by Brigadier General Richard Thomas, our Assistant Surgeon General for Force Projection, we have fielded a program that has led to increased awareness and screening for traumatic brain injury and decreased the stigma associated with seeking early diagnosis and treatment.

This leads into the use of evidence-based practices aimed at the most effective care. As an example, Army medicine now strengthens our soldiers' and families' behavioral health and emotional resiliency through a campaign to align the various behavioral health programs with the deployment and reset cycle, a process we call

the Comprehensive Behavioral Health System of Care. Under the leadership of the Deputy Surgeon General, Major General Patty Horoho, this program uses multiple touch points to assess both the health and behavioral health for a soldier and the family. Coupled with the advances in battlefield care under the Joint Theater Trauma System, we have made great strides in managing the physical and emotional wounds of war.

Additionally, we have developed a comprehensive pain management strategy to address chronic and acute pain that many of our soldiers face. This strategy uses state-of-the-art modalities and technologies. It focuses on the use of non-medication pain management modalities, incorporating complementary and alternative or integrative approaches, such as acupuncture and massage therapy, yoga, and other tools. We were recently recognized by the American Academy of Pain Medicine with a Presidential commendation for the impact on pain management in the United States.

Our fourth strategic aim is optimizing efficiencies through leading-edge business practices, partnerships with our other services and veterans organizations, to support the DOD and VA collaboration on treating post-traumatic stress disorder, and pain, and other healthcare issues, and electronic health records should seamlessly transfer patient data between partners to improve efficiencies, effectiveness, and the continuity of care.

No two health organizations in the Nation share more non-billable health information than the Department of Defense and the Veterans Administration. The Departments continue to standardize sharing activities and deliver information technologies to improve the secure sharing of information.

Finally, our fifth aim is the Army enterprise approach. We have reengineered Army medicine, such as the creation of a provisional Public Health Command, to optimally serve the soldier. We have aligned our regional medical commands with the TRICARE regions, resulting in improved readiness and support from the managed care support contractor to our regions. Three standardized continental United States-based regional medical commands are now aligned with the three TRICARE regions in the continental United States.

We also have regional readiness cells now that can reach out to our Reserve components within their areas of responsibility, ensuring that all medical services required are identified and provided at all times. Part of this reorganization has been the standup of a public health command under the command of Brigadier General Tim Adams. This consolidation has already resulted in an increased focus on prevention, health promotion, and wellness.

As you have noticed here, this is my last congressional hearing cycle as the Army Surgeon General and the Commanding General of the United States Army Medical Command. I thank the subcommittee for allowing me to highlight the accomplishments we have made, the challenges we continue to face, to hear your perspectives regarding health of our extended military family and the healthcare we provide. I have appreciated your questions, your insights, and your commitment to our Army soldiers and their families.

PREPARED STATEMENT

On behalf of the over 140,000 soldiers, civilians, and contractors that make up my command in Army medicine, I also thank Congress for your continued support and for providing the resources that we have needed to deliver leading edge health services and build healthy and resilient communities.

I welcome your questions.

Chairman INOUYE. All right. Thank you very much, General Schoomaker.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL ERIC B. SCHOOMAKER

Chairman Inouye, Vice Chairman Cochran and distinguished members of the committee. Thank you for providing me this opportunity to talk with you today about some of the very important work being performed by the dedicated men and women—military and civilian—of the U.S. Army Medical Department (AMEDD) who bring value and inspire trust in Army Medicine.

Now in my last congressional hearing cycle as the Army Surgeon General and Commanding General, U.S. Army Medical Command (MEDCOM), I would like to thank the committee for the opportunities provided over the past 4 years that have allowed me to share what Army Medicine is, to highlight the accomplishments we have made, to detail the challenges we have faced, and to hear your collective perspectives regarding the health of our extended Military Family and the military healthcare we provide. On behalf of the over 70,000 dedicated Soldiers, civilians, and contractors that make up Army Medicine, I also thank Congress for your continued support of Army Medicine and the Military Health System, providing the resources we need to deliver leading edge health services to our Warriors, Families and Retirees.

Despite over 9 years of continuous armed conflict for which Army Medicine bears a heavy load, every day our Soldiers and their Families are kept from injuries, illnesses, and combat wounds through our health promotion and prevention efforts; are treated in state-of-the-art fashion when prevention fails; and are supported by an extraordinarily talented medical force including those who serve at the side of the Warrior on the battlefield.

Army Medicine is a dedicated member of the Military Health System and is equally committed to partnering with our Soldiers, their Families, and our Veterans to achieve the highest level of fitness and health for each of our beneficiaries. Army Medicine historically is a leader in developing innovations for trauma care and preventive medicine that save lives and improve well-being for our uniformed personnel, improvements which have also favorably influenced civilian care. We are focused on delivering the best care at the right time and place. Army Medicine operates using the following strategic aims—The Five E's: Enduring, Early, Effective, Efficient, and Enterprise to reflect our commitment to selfless service.

- To provide Enduring care through initiatives such as the Warrior Care and Transition Program and the Soldier Medical Readiness Campaign Plan.
- To reduce the need for subsequent care through Early prevention; for example, Army Medicine identifies medical issues early with its concussive protocols and behavioral health practices, and promotes healthy lifestyles with the patient-centered medical home model of primary care delivery.
- To use evidence-based practices which provide the most Effective treatment for medical issues such as pain management and post-traumatic stress (PTS).
- To optimize Efficiencies through leading edge business processes and partnerships with other services and veterans organizations.
- To be an integral part of the Army Enterprise approach through re-engineering Army Medicine such as the provisional Public Health Command (PHC) to keep the Army strong and with other Army commands and agencies to optimally serve the Soldier and Family.

We must continue to provide the very best ongoing care for wounded, ill, or injured Soldiers. We have an enduring responsibility—alongside our sister services and the Department of Veterans Affairs (VA)—to provide care and rehabilitation of our wounded, ill, and injured for many years to come. The U.S. Army Warrior Transition Command (WTC) is a Major Subordinate Command under the MEDCOM and a key part of the enduring provision of care. The WTC Commander, Brigadier General Darryl Williams is also the Assistant Surgeon General for Warrior Care and

Transition. The WTC's mission is to provide centralized oversight of the Army's Warrior Care and Transition Program. This includes providing the necessary guidance and advocacy to empower wounded, ill, and injured Soldiers and Families with dignity, respect, and the self-determination to successfully reintegrate either back into the force or into the community. The WTC supports Army Force Generation (ARFORGEN) by supporting those who have returned from combat and require coordinated, complex care management to help them cope with and overcome the cumulative effects of war and multiple deployments.

At the heart of the Warrior Care and Transition Program are 29 Warrior Transition Units (WTUs) located at major Army installations worldwide, and nine Community Based Warrior Transition Units (CBWTUs) located regionally around the United States and Puerto Rico. Today, 4,280 highly trained cadre and staff oversee a current population of 10,011 wounded, ill and injured Soldiers. Since their inception in June 2007, more than 40,000 wounded, ill, or injured Soldiers and their Families have either progressed through or are being currently cared for by these dedicated caregivers and support personnel. Over 16,000 of those Soldiers have been returned to the force.

The Army, with great support of Congress, has spent or obligated more than \$1.2 billion in military construction projects to improve the accessibility and quality of Wounded Warrior barracks, including the development of Warrior Transition complexes that will serve both Warriors in Transition and their Families. Construction of complexes continues through fiscal year 2012 at which time 20 state-of-the-art complexes will be in operation.

Since 2004, the Army Wounded Warrior Program (AW2) has supported the most severely wounded, ill, and injured Soldiers. Soldiers are assigned an AW2 Advocate who provides personalized assistance with day-to-day issues that confront healing Warriors and their Families, including benefits counseling, educational opportunities, and financial and career counseling. AW2 Advocates serve as life coaches to help these wounded Warriors and their Families regain their independence. Since its inception, AW2 has provided support to nearly 8,000 Soldiers and Veterans.

The WTC is refining a policy change to enhance the Army's ability to ensure Reserve Component Soldiers recovering at home from wounds, illnesses, or injuries incurred while on Active Duty benefit from the same system of care management and command and control experienced by Soldiers who are recovering in WTUs. The revised policy makes it easier for Reserve Component Soldiers who do not require complex medical care management to heal and transition closer to home.

To support each wounded, ill, or injured Soldier in their efforts to either return to the force or transition to Veteran status, the Army has created a systematic approach called the Comprehensive Transition Plan (CTP). The CTP is a six-part multidisciplinary and automated process which enables every Warrior in Transition to develop an individualized plan that will enable them to set and reach their personal goals. These end goals shape the Warrior in Transition's day-to-day work plan while healing.

Additionally to help Warriors in Transition achieve their physical fitness goals, WTUs offer several adaptive sports options to supplement the Warrior in Transition's therapy, often in coordination with the U.S. Olympic Committee's Paralympic Military Program. The WTC is also coordinating the Army's participation in the 2011 Warrior Games to be held at the U.S. Olympic Training Center in Colorado Springs, Colorado May 16-21, 2011.

We created a Soldier Medical Readiness Campaign to ensure we maintain a healthy and resilient force. Major General Richard Stone, Deputy Surgeon General, Mobilization, Readiness, and Reserve Affairs, is the campaign lead. The deployment of healthy, resilient, and fit Soldiers and increasing the medical readiness of the Army is the desired end state of this campaign.

The campaign's key tasks are to provide Commanders the tools to manage their Soldiers' medical requirements; coordinate, synchronize and integrate wellness, injury prevention and human performance optimization programs across the Army; identify the medically not ready (MNR) Soldier population; implement medical management programs to reduce the MNR Soldier population, assess the performance of the campaign; and educate the force.

Those Soldiers who no longer meet retention standards must navigate the Physical Disability Evaluation System (PDES). Assigning disability has long been a contentious issue. The present disability system dates back to the Career Compensation Act of 1949. Since its creation problems have been identified include long delays, duplication in DOD and VA processes, confusion among Service members, and distrust of systems regarded as overly complex and adversarial. In response to these concerns, DOD and VA jointly designed a new disability evaluation system to streamline DOD processes, with the goal of also expediting the delivery of VA bene-

fits to service members following discharge from service. The Army began pilot testing the Disability Evaluation System (DES) in November 2007 at Walter Reed Army Medical Center and has since expanded the program, now known as the Integrated Disability Evaluation System (IDES), to 16 military treatment facilities. DOD is now planning on replacing the military's legacy disability evaluation system with the IDES.

The key features of the of the IDES are a single physical disability examination conducted according to VA examination protocols, a single disability rating evaluation prepared by the VA for use by both Departments for their respective decisions, and delivery of compensation and benefits upon transition to veteran status for members of the Armed Forces being separated for medical reasons. The DOD PDES working group continues to reform this process by identifying steps that can be reduced or eliminated, ensuring the service members receive all benefits and entitlements throughout the process.

The WTC is also working with U.S. Army Medical Command staff to develop the concept of "Medical Management Centers." Medical Management Centers utilize the case management approaches developed for the WTUs to assist Soldiers who remain in their units but require a PDES determination. The WTC is also working closely with Army Reserve and Army National Guard leadership to develop and provide necessary support to the Reserve Component Soldier Medical Support Center (RCSMSC) being established in Pinellas Park, Florida. The RCSMSC is intended to ensure the PDES process also runs smoothly and efficiently for Reserve Component Soldiers not on Active Duty or in WTUs.

Army Medicine strives to reduce the need for subsequent care through early prevention and the emphasis on health promotion. Over the past year Army medicine has initiated multiple programs in support of this aim and I would like to highlight a few of those starting with the new U.S. Army Public Health Command (Provisional) (PHC).

As part of the overall U.S. Army Medical Command reorganization initiative, all major public health functions within the Army, especially those of the former Veterinary Command and the Center for Health Promotion and Preventive Medicine have been combined into a new PHC, located at Aberdeen Proving Ground in Maryland, under the command of Brigadier General Timothy K. Adams. The consolidation has already resulted in an increased focus on health promotion and has created a single accountable agent for public health and veterinary issues that is proactive and focused on prevention, health promotion and wellness. The PHC reached initial operational capability in October 2010 and full operational capability is targeted for October 2011.

Army public health protects and improves the health of Army communities through education, promotion of healthy lifestyles, and disease and injury prevention. Public health efforts include controlling infectious diseases, reducing injury rates, identifying risk factors and interventions for behavioral health issues, and ensuring safe food and drinking water on Army installations and in deployed environments. The long-term value of public health efforts cannot be overstated: public health advances in the past century have been largely responsible for increasing human life spans by 25 years, and the PHC will play a central role in the health of our Soldiers, deployed or at home.

The health of the total Army is essential for readiness, and prevention is the best way to health. Protecting Soldiers, retirees, Family members and Department of Army civilians from conditions that threaten their health is operationally sound, cost effective and better for individual well-being. Though primary care of our sick and injured will always be necessary, the demands will be reduced. Prevention—the early identification and mitigation of health risks through surveillance, education, training, and standardization of best public health practices—is crucial to military success. Army Medicine is on the pathway to realizing this proactive, preventive vision.

While the PHC itself is relatively new, a number of significant public health accomplishments already have been achieved. Some examples:

- Partnering with Army installations to standardize existing Army Wellness Centers to preserve or improve health in our beneficiary population. The centers focus on health assessment, physical fitness, healthy nutrition, stress management, general wellness education and tobacco education. They partner with providers in our Military Treatment Facilities (MTFs) through a referral system. I hold each MTF Commander responsible for the health of the extended military community as the installation Director of Health Services (DHS).
- Hiring installation Health Promotion Coordinators (HPCs) to assist the MTF Commander/DHS and to facilitate health promotion efforts on Army installations. HPCs are the "air traffic controllers" or coordinators of services and iden-

tifiers of service needs; they work with senior mission commanders and installation Community Health Promotion Councils to synchronize all of the installation health and wellness resources.

- Providing behavioral health epidemiological consultations to advise Army leaders and program developers on the factors that contribute to behavioral health issues including high-risk behaviors, domestic violence and suicide.
- Identifying Soldier physical training programs that optimize fitness while minimizing injuries and resultant lost-duty days and improve Soldier medical readiness.
- Decreasing the rate of overweight and obese Family members and retirees by adopting the Healthy Population 2010 goals for weight and obesity and implementing a standardized weight-management program developed by the VA.
- Integrating human and animal disease surveillance to better assess health risks.

The Army recognizes that traumatic brain injury or TBI is a serious concern, and we will continue to dedicate resources to research, diagnose, treat and prevent mild, moderate, severe, and penetrating TBI. The Army is leading the way in early recognition and treatment of mild TBI or concussive injuries with our “Educate, Train, Treat, and Track” strategy. Under the personal leadership of the Vice Chief of Staff of the Army, General Peter Chiarelli and refined by Brigadier General Richard Thomas, Assistant Surgeon General for Force Projection, we are fielding a program which some have called “CPR for the brain”. Our education and training efforts have led to increased awareness and screening for TBI and have contributed to decreasing the stigma associated with seeking diagnosis or treatment for TBI. TBI training has been integrated into education and training initiatives of all deploying units to increase awareness and education regarding recognition of symptoms as well as emphasize commanders and leaders’ responsibilities for ensuring their Soldiers receive prompt medical attention as soon as possible after an injury.

DOD policy changes in June 2010 implemented mandatory event-driven protocols following exposure to potentially concussive events in deployed environments. Events mandating an evaluation include any Service Member in a vehicle associated with a blast event, collision, or rollover; all personnel within close proximity to a blast; or anyone who sustains a direct blow to the head. Additionally, the command may direct a medical evaluation for any suspected concussion under other conditions. All new medics and Physician Assistants at the Army Medical Department Center and School are being trained on their roles in supporting this policy. During my recent visit to Afghanistan with my fellow Surgeons General in February 2011, discussions with Warriors and medical personnel at a number of sites lead me to conclude that these protocols are aggressively endorsed by commanders and are being complied with.

The Army along with the DOD is implementing computerized tracking of these events for the purposes of providing healthcare providers with awareness of an individual’s history of proximity to blast events, allowing for greater visibility of at risk Soldiers during post-deployment health assessment, informing Commanders, and to provide documentation to support Line of Duty investigations for Reserve and Guard members. The program from August to December 2010 has documented 1,472 Soldiers. We are working hard to overcome the technical barriers for complete data input. My fellow Surgeons General and I saw this first hand in our trip to Afghanistan last month. We saw, as well, the complete commitment of all field commanders, small unit leaders, and medical professionals to the implementation of these protocols.

To further the science of brain injury recovery, the Army relies on the U.S. Army Medical Research and Materiel Command’s TBI Research Program. The overwhelming generosity of Congress and the DOD’s commitment to brain injury research has significantly improved our knowledge of TBI in a rigorous scientific fashion. Currently, there are almost 350 studies funded by DOD to look at all aspects of TBI. The purpose of this program is to coordinate and manage relevant DOD research efforts and programs for the prevention, detection, mitigation and treatment of TBI. Some examples of the current research include medical standards for protective equipment, measures of head impact/blast exposure, a portable diagnostic tool for TBI that can be used in the field, blood tests to detect TBI, medications for TBI treatment, and the evaluation of rehabilitation outcomes. The TBI Research Program leverages both DOD and civilian expertise by encouraging partnerships to solve problems related to TBI. The DOD partners with key organizations and national/international leaders, including the VA, the Defense Centers of Excellence for Psychological Health and TBI, the Defense and Veterans Brain Injury Center, academia, civilian hospitals and the National Football League, to improve our ability to diagnose, treat and care for those affected by TBI.

Similar to our approach to concussive injuries, Army Medicine harvested the lessons of almost a decade of war and has approached the strengthening of our Soldiers and Families' behavioral health and emotional resiliency through a campaign plan to align the various Behavioral Health programs with the human dimension of the ARFORGEN cycle, a process we call the Comprehensive Behavioral Health System of Care (CBHSOC). This program is based on outcome studies that demonstrate the profound value of using the system of multiple touchpoints in assessing and coordinating health and behavioral health for a Soldier and Family. The CBHSOC creates an integrated, coordinated, and synchronized behavioral health service delivery system that will support the total force through all ARFORGEN phases by providing full spectrum behavioral healthcare. We leveraged experiences and outcome studies on deploying, caring for Soldiers in combat, and redeploying these Soldiers in large unit movements to build the CBHSOC. Some have been published, such as the landmark studies on concussive brain injury and PTSD by Charles Hoge, Carl Castro and colleagues or the recent publication of a forerunner program to the CBHSOC in the 3rd Infantry Division by Chris Warner, Ned Appenzeller and their co-workers. These studies will be discussed further later.

The CBHSOC is a system of systems built around the need to support an Army engaged in repeated deployments—often into intense combat—which then returns to home station to restore, reset the formation, and re-establish family and community bonds. The intent is to optimize care and maximize limited behavioral health resources to ensure the highest quality of care to Soldiers and Families, through a multi-year campaign plan.

Under the leadership of Major General Patricia Horoho, the Deputy Surgeon General, the CBHSOC campaign plan has five lines of effort: Standardize Behavioral Health Support Requirements; Synchronize Behavioral Health Programs; Standardize & Resource AMEDD Behavioral Health Support; Access the Effectiveness of the CBHSOC; and Strategic Communications. The CBHSOC campaign plan was published in September 2010, marking the official beginning of incremental expansion across Army installations and the Medical Command. Expansion will be phased, based on the redeployment of Army units, evaluation of programs, and determining the most appropriate programs for our Soldiers and their Families.

Near-term goals of the CBHSOC are implementation of routine behavioral health screening points across ARFORGEN and standardization of screening instruments. Goals also include increased coordination with both internal Army programs like Comprehensive Soldier Fitness, Army Substance Abuse Program, and Military Family Life Consultants. External resources include VA, local and state agencies, and the Defense Centers of Excellence for Psychological Health.

Long-term goals of the CBHSOC are the protection and restoration of the psychological health of our Soldiers and Families and the prevention of adverse psychological and social outcomes like Family violence, DUIs, drug and alcohol addiction, and suicide. This is through the development of a common behavioral health data system; development and implementation of surveillance and data tracking capabilities to coordinate behavioral health clinical efforts; full synchronization of Tele-behavioral health activities; complete integration of the Reserve Components; and the inclusion of other Army Medicine efforts including TBI, patient centered medical home, and pain management. Integral to the success of the CBHSOC is the continuous evaluation of programs, to be conducted by the PHC.

For those who do suffer from PTSD, Army Medicine has made significant gains in the treatment and management of PTSD as well. The DOD and VA jointly developed the three evidenced based Clinical Practice Guidelines for the treatment of PTSD, on which nearly 2,000 behavioral health providers have received training. This training is synchronized with the re-deployment cycles of U.S. Army Brigade Combat Teams, ensuring that providers operating from MTFs that support the Brigade Combat Teams are trained and certified to deliver quality behavioral healthcare to Soldiers exposed to the most intense combat levels. In addition, the U.S. Army Medical Department Center & School, under the leadership of Major General David Rubenstein, collaborates closely with civilian experts in PTSD treatment to validate the content of these training products to ensure the information incorporates emerging scientific discoveries about PTSD and the most effective treatments.

Work by the Army Medical Department and the Military Health System over the past 8 years has taught us to link information gathering and care coordination for any one Soldier or Family across the continuum of this cycle. Our Behavioral Health specialists tell us that the best predictor of future behavior is past behavior, and through the CBHSOC we strive to link the management of issues which Soldiers carry into their deployment with care providers and a plan down-range and the same in reverse.

As mentioned previously, the results of a recent Army study published in January in the American Journal of Psychiatry by Major Chris Warner, Colonel Ned Appenzeller and colleagues report on the success of pre-deployment mental health support and coordination of care that dramatically reduced adverse behavioral health outcomes for over 10,000 Soldiers who received pre-deployment support prior to deployment compared to a like group of over 10,000 Soldiers who were deployed to the same battle space but were unable to receive the pre-deployment behavioral health assessment and care coordination. These results show the Army, as part of its Comprehensive Behavioral Health System of Care Campaign Plan, is moving in the right direction implementing new policies and programs to enhance pre- and post-deployment care coordination for Soldiers. This study demonstrates the ability to bridge the gap between identification through pre-deployment screening, as required by the National Defense Authorization Act for Fiscal Year 2010, Sec. 708 and actively managing and coordinating care for Soldiers with existing behavior health concerns to insure a successful deployment that benefits the Army and continued support to Soldiers and Families.

The results are significant and provide the first direct evidence that a program that combines pre-deployment support and coordination of care that includes primary care managers, unit surgeons and behavioral health providers is effective in preventing adverse behavioral health outcomes for Soldiers. The study results move away from a perception of use of mental health screenings by Army and DOD as a tool to “weed out” Soldiers and service members deemed mentally unfit, to one of use and integration of behavioral health screenings as a routine part of Soldiers’ and service members primary care during deployment. Coupled with insights provided by Walter Reed Army Institute of Research (WRAIR) researchers, such as Dr. Charles Hoge and COL Carl Castro about the relationship between concussive injury and PTSD as well as 7 years of annual surveys of BH problems and care in the deployed force through the WRAIR Mental Health Advisory Teams, we are making giants steps forward in prevention, early recognition, and mitigation of the neuropsychological effects of prolonged war on our Soldiers and Families.

Much of the future of Army Medicine will be practiced at the Patient-Centered Medical Home (PCMH). The PCMH is a model of primary care-based health improvement and healthcare services being adopted throughout the Military Health System and in many venues in civilian practice. I commend the Air Force for taking the lead on some PCMH practices. The PCMH will be the principal enabler to improve readiness of the force and continuity of access to tailored patient services. It is a design that the Army will apply to all primary care settings.

Dr. Paul Grundy, Director of Healthcare Transformation at IBM, pointed out that “a smarter health system forges partnerships in order to deliver better care, predict and prevent disease and empower individuals to make smarter choices.” In his estimation, the PCMH is “advanced primary care.” According to Dr. Grundy the PCMH can build trust between patient and physician, improve the patient experience of care, reduce staff burnout, and hold the line on expenditures.

The Medical Home philosophy concentrates on what a patient requires to remain healthy, to restore optimal health, and when needed, to receive tailored healthcare services. It relies upon building enduring relationships between patient and their provider—doctor, nurse practitioner, physician assistant and others—and a comprehensive and coordinated approach to care between providers and community services. This means much greater continuity of care, with patients seeing the same physician or professional partner 95 percent of the time. The result is more effective healthcare for both the provider and the patient that is based on trust and rapport.

The PCMH integrates the patient into the healthcare team, offering aggressive prevention and personalized intervention. Physicians will not just evaluate their patients for disease to provide treatment, but also to identify risk of disease, including genetic, behavioral, environmental, or occupational risk. The healthcare team encourages healthy lifestyle behaviors, and success will be measured by how healthy they keep their patients, rather than by how many treatments they provide. The goal is that people will live longer lives with less morbidity, disability and suffering.

Community Based Medical Homes (CBMHs) are part of the Army’s implementation of the Patient Centered Medical Home. CBMHs are Army operated primary care clinics located in leased space in the off-post communities in which many of our active duty Families live. These clinics are extensions of the Army Hospital and staffed by government civilians. Active duty Family members receive enrollment priority. This initiative was undertaken to improve access and continuity to healthcare services, including behavioral health, for active duty Family members by expanding capacity and extending MTF services off-post. The Army has grown and consumption of healthcare services is on the rise as a result of the war. These clinics will help Army Medicine improve quality of care and the patient experience; improve

value through standardization and optimization of resources enabling operations at an economic advantage to the DOD; and improve the readiness of our Army and our Army Families. Clinics are placed where Families lacked access to Army primary care services and currently 17 clinics are being developed in 13 markets. Recently clinics supporting Fort Campbell, Fort Sill, Fort Stewart and Fort Bragg have opened and initial feedback has been outstanding.

The CBMHs build upon and are in many ways the culmination of a MEDCOM—wide campaign to closely monitor and reduce barriers to access and continuity; improve clinic productivity through standardization of administrative operations and support; to leverage improved health information management tools like AHLTA; and to incentivize commanders and providers to provide the right kind of care so as to improve individual and community health and outcomes of healthcare delivery in accordance with evidenced-based practices for chronic illness.

We are adopting other methods as well to ensure better outcomes for patient care. At the MEDCOM, we have implemented a performance-based adjustment model (PBAM) to increase hospital and department responsibilities for how our funding is spent in health improvement and the delivery of healthcare services. PBAM creates a justifiable budget by a business planning process that links to outputs, such as volume or complexity of procedures. With the need for greater accountability and transparency, the MEDCOM has used PBAM to create performance measures that are consistent and can be compared across our facilities. We have experienced gains in total output, gains in provider efficiency, and increases in coding accuracy all aimed at improved outcomes of care—a more effective system for our beneficiaries and the Army. Incentives which are built into the program have measurably improved health and compliance with science—or—evidence-based care for chronic disease like diabetes and asthma.

Army Medicine is committed to using evidence-based practices which provide the most effective treatment for the variety of medical issues confronting our patient population and especially those issues caused by the almost 10 years of war such as pain management. An Army at war for almost a decade recognizes it has accumulated significant issues with acute and chronic pain amongst its Soldiers. In August 2009, I chartered the Army Pain Management Task Force to make recommendations for a MEDCOM comprehensive pain management strategy. I appointed Brigadier General Richard Thomas as the Task Force Chairperson. Task Force membership included a variety of medical specialties and disciplines from the Army, as well as representatives from the Navy, Air Force, TRICARE Management Activity, and VA.

The Pain Management Task Force developed 109 recommendations that lead to a comprehensive pain management strategy that is holistic, multidisciplinary, and multimodal in its approach, utilizes state of the art/science modalities and technologies, and provides optimal quality of life for Soldiers and other patients with acute and chronic pain. The Army Medical Command is operationalizing recommendations through the Pain Management Campaign Plan. I am proud to say that Army Medicine was recognized by the American Academy of Pain Medicine with the Presidential Commendation for its impact on pain medicine in the United States.

An important objective of the Pain Management Task Force calls for building a full spectrum of best practices for the continuum of pain care, from acute to chronic, which is based on a foundation of the best available evidence based medicine. This can be accomplished through the adoption of an integrative and interdisciplinary approach to managing pain. Pain management should be handled by integrated care teams that use a biopsychosocial model of care. The standard of care should decrease overreliance on medication driven solutions and create an interdisciplinary approach that encourages collaboration among providers from differing specialties.

The DOD should continue to responsibly explore safe and effective use of advanced and non-traditional approaches to pain management and support efforts to make these modalities covered benefits once they prove safe, effective and cost efficient. One way to achieve an interdisciplinary, multimodal and holistic approach to pain management is by incorporating complementary and alternative therapies—integrative approaches—into an individualized pain management plan of care to include acupuncture, massage therapy, movement therapy, yoga, and other tools in mind-body medicine. To best address the goal of patient-centered care, providers must work in partnership with patients and Families in providing health promotion options while maintaining efficacy and safety standards. This integration needs to be methodical, appropriate, and evaluated throughout the process to ensure the best potential outcomes.

While the Pain Management Task Force has worked to expand the use of non-medication pain management modalities, as combat operations continue, more Sol-

diers are presenting with physical or psychological conditions, or both, which require clinical care, including medication therapy. Consequently, some of them may be treated for multiple conditions with a variety of medications prescribed by several healthcare providers. While the resulting “polypharmacy”—the use of multiple prescription or other medications—can be therapeutic in the treatment of some conditions, in other cases it can unwittingly lead to increased risk to patients. New Army policies and procedures to identify and mitigate polypharmacy have reduced the risk of these factors in garrison and deployed environments.

Polypharmacy is not unique to military medical practice and is also a patient safety issue in the civilian medical community. The risks of polypharmacy include overdose (intentional or accidental); toxic interactions with other medications or alcohol; increased risk of adverse effects of medications; unintended impairment of alertness or functioning that may result in accident and injury; and the development of tolerance, withdrawal, and addiction to potentially habit-forming medications.

U.S. Army Medical Command has issued guidance for enhancing patient safety and reducing risk via the prevention and management of polypharmacy. For example, Soldiers and Commanders are educated to take responsibility for, and active roles in, ensuring effective communication between patients and primary care managers to formulate treatment plans and address potential issues of polypharmacy. Annual training on managing polypharmacy patients is required for clinicians who prescribe psychotropic agents or central nervous system depressants. And through the electronic health record, patient health information, including prescriptions, is shared among providers to increase awareness of those patients with multiple medications.

Evidence-based science makes strong Soldiers and we rely heavily on the U.S. Army Medical Research and Materiel Command (MRMC). Under the leadership of Major General James Gilman, MRMC manages and executes a robust, ongoing medical research program for the MEDCOM to support the development of new healthcare strategies. I would like to highlight a few research programs that are impacting health and care of our Soldiers today.

The Combat Casualty Care Research Program (CCCRP) reduces the mortality and morbidity resulting from injuries on the battlefield through the development of new life-saving strategies, new surgical techniques, biological and mechanical products, and the timely use of remote physiological monitoring. The CCCRP focuses on leveraging cutting-edge research and knowledge from government and civilian research programs to fill existing and emerging gaps in combat casualty care. This focus provides requirements-driven combat casualty care medical solutions and products for injured Soldiers from self-aid through definitive care, across the full spectrum of military operations.

The mission of the Military Operational Medicine Research Program (MOMRP) is to develop effective countermeasures against stressors and to maximize health, performance, and fitness, protecting the Soldier at home and on the battlefield. MOMRP research helps prevent physical injuries through development of injury prediction models, equipment design specifications and guidelines, health hazard assessment criteria, and strategies to reduce musculoskeletal injuries.

MOMRP researchers develop strategies and advise policy makers to enhance and sustain mental fitness throughout a service member’s career. Psychological health problems are the second leading cause of evacuation during prolonged or repeated deployments. MOMRP psychological health and resilience research focuses on prevention, treatment, and recovery of Soldiers and Families behavioral health problems, which are critical to force health and readiness. Current psychological health research topic areas include behavioral health, resiliency building, substance use and related problems, and risk-taking behaviors.

The Clinical and Rehabilitative Medicine Research Program (CRM RP) focuses on definitive and rehabilitative care innovations required to reset our wounded warriors, both in terms of duty performance and quality of life. The Armed Forces Institute of Regenerative Medicine (AFIRM) is an integral part of this program. The AFIRM was designed to speed the delivery of regenerative medicine therapies to treat the most severely injured U.S. service members from around the world but in particular those coming from the theaters of operation in Iraq and Afghanistan. The AFIRM is expected to make major advances in the ability to understand and control cellular responses in wound repair and organ/tissue regeneration and has major research programs in Limb Repair and Salvage, Craniofacial Reconstruction, Burn Repair, Scarless Wound Healing, and Compartment Syndrome.

The AFIRM’s success to date is at least in part the result of the program’s emphasis on establishing partnerships and collaborations. The AFIRM is a partnership among the U.S. Army, Navy, and Air Force, the Department of Defense, the VA, and the National Institutes of Health. The AFIRM is composed of two independent

research consortia working with the U.S. Army Institute of Surgical Research. One consortium is led by the Wake Forest Institute for Regenerative Medicine and the McGowan Institute for Regenerative Medicine in Pittsburgh while the other is led by Rutgers—the State University of New Jersey and the Cleveland Clinic. Each consortium contains approximately 15 member organizations, which are mostly academic institutions.

MRMC is also the coordinating office for the DOD Blast Injury Research Program. The Blast Injury Research Program is addressing critical medical research gaps for blast-related injuries and is developing partnerships with other DOD and external medical research laboratories to achieve a cutting-edge approach to solving blast injury problems. One of the program's major areas of focus is the improvement of battlefield medical treatment capabilities to mitigate neurotrauma and hemorrhage. Additionally, the program is modernizing military medical research by bringing technology advances and new research concepts into DOD programs.

We created a systematic and integrated approach to better organize and coordinate battlefield care to minimize morbidity and mortality, and optimize the ability to provide essential care required for casualty injuries—the Joint Theater Trauma System (JTTS). JTTS focuses on improving battlefield trauma care through enabling the right patient, at the right place, at the right time, to receive the right care. The components of the JTTS include prevention, pre-hospital integration, education, leadership and communication, quality improvement/performance improvement, research and information systems. The JTTS was modeled after the civilian trauma system principles outlined in the American College of Surgeons Committee on Trauma Resources for Optimal Care.

Effectiveness and efficiency are also enhanced by electronic tools. To support DOD and VA collaboration on treating PTSD, pain, and other healthcare issues, the Electronic Health Record (EHR) should seamlessly transfer patient data between and among partners to improve efficiencies and continuity of care. The DOD and the VA share a significant amount of health information today and no two health organizations in the nation share more non-billable health information than the DOD and VA. The Departments continue to standardize sharing activities and are delivering information technology solutions that significantly improve the secure sharing of appropriate electronic health information. We need to include electronic health information exchange with our civilian partners as well—a health information systems which brings together three intersecting domains—DOD, VA, civilian—for optimal sharing of beneficiary health information and to provide a common operating picture of healthcare delivery. These initiatives enhance healthcare delivery to beneficiaries and improve the continuity of care for those who have served our country. Previously, the burden was on service members to facilitate information sharing; today, we are making the transition between DOD and VA easier for our service members.

The Office of the Surgeon General (OTSG) works closely with Defense Health Information Management System of Health Affairs/TRICARE Management Activity in pursuing additional enhancements and fixes to AHLTA. The OTSG Information Management Division also continues to implement the MEDCOM AHLTA Provider Satisfaction Program, which now provides dictation and data entry software applications, tablet computing hardware, business process management, clinical business intelligence, and clinical systems training and integration to the providers and users of AHLTA. OTSG is taking the EHR lead in designing and pursuing the next generation of the EHR by participating in DOD and Inter-agency projects such as the EHR Way Ahead, the Virtual Lifetime Electronic Record Pilot Project, Nationwide Health Information Network, In-Depth EHR Training, and VA/DOD Sharing Initiatives. We are aligned with the Air Force's COMPASS program in ensuring that our providers and our clinics have the best and most user-friendly EHR.

The Medical Command was reorganized in October 2010, to align regional medical commands (RMCs) with TRICARE regions with the resulting effect of improved readiness and support for the Army's iterative process of providing expeditionary, modular fighting units under the ARFORGEN cycle. We are well on the way to standardizing structure and staffing for RMC headquarters to provide efficiencies and ensure standardized best practices across Army Medicine. Three CONUS-based regional medical commands, down from four, are now aligned with the TRICARE regions to provide healthcare in a seamless way with our TRICARE partners.

In addition to TRICARE alignment, each region will contain an Army Corps headquarters, and health-care assets will be better aligned with beneficiary population of the regions. Each RMC has a deputy commander who is responsible for a readiness cell to coordinate and collaborate with the ARFORGEN cycle. This regional readiness cell will reach out to Reserve Component elements within their areas of responsibility to ensure that all medical and dental services required during the ARFORGEN cycle of the Reserve units are also identified and provided.

In recent years, the Army has transformed how it provides healthcare to its Soldiers, with improvements impacting every aspect of the continuum of care. The Patient Centered Medical Home and the Warrior Transition Command are examples of the Army's strong commitment to adapt and improve its ability to provide the best care possible for our Soldiers and their Families. We have a duty and responsibility to our Soldiers, Families, and retirees. The level of care required does not end when the deployed Soldier returns home; there will be considerable ongoing healthcare costs for many years to support for our wounded, ill, or injured Service members. They need to trust we will be there to manage the health related consequences of over 9 years of war, including behavioral healthcare, post-traumatic stress, burn or disfiguring injuries, chronic pain or loss of limb. We will require ongoing research to establish more effective methodologies for treatment. Army Medicine remains focused on developing partnerships to achieve the aims of the MHS as we work together to provide cost effective care to improve the health of our Soldiers. The goal is to provide the best care and access possible for Army Families and retirees and to ensure optimal readiness for America's fighting forces and their Families.

Last, I would like to join General Casey in expressing support for the military healthcare program changes included in the fiscal year 2012 budget. The changes include modest enrollment fee increases for working-age retirees, pharmacy co-pay adjustments, aligning Defense reimbursements to sole community hospitals to Medicare consistent with current statute, and shifting future Uniformed Services Family Health Plan enrollees into the TRICARE-for-Life/Medicare program established by Congress in the fiscal year 2001 National Defense Authorization Act.

In closing, over the past 40 months as the Army Surgeon General I have had numerous occasions to appear before this subcommittee, meet individually with you and your fellow members and interact with your staff. I have appreciated your tough questions, valuable insight, sage advice and deep commitment to your Army's Soldiers and their Families. Thank you for this opportunity to share Army Medicine with you. I am proud to serve with the Officers, Non-commissioned Officers, the enlisted Soldiers and civilian workforce of Army Medicine. Their dedication makes our Nation strong and our Soldiers and Families healthy and resilient.

Thank you for your continued support of Army Medicine and to our Nation's men and women in uniform.

Army Medicine: Building Value . . . Inspiring Trust

Chairman INOUE. And now may I call upon Admiral Robinson.

STATEMENT OF VICE ADMIRAL ADAM M. ROBINSON, JR., SURGEON GENERAL, DEPARTMENT OF THE NAVY

Admiral ROBINSON. Good morning.

Chairman Inouye, Vice Chairman Cochran, I am pleased to be with you today, and I want to thank the subcommittee for the tremendous confidence and unwavering support of Navy medicine, particularly as we continue to care for those who go in harm's way, their families, and all beneficiaries.

Force health protection is the bedrock of Navy medicine. It is our duty, our obligation, and our privilege to promote, protect, and restore the health of our sailors and marines. The mission spans the full spectrum of healthcare from optimizing the health and fitness of the force, to maintaining robust disease surveillance and prevention programs, to saving lives on the battlefield. It also involves providing humanitarian assistance and disaster response around the world, and this is no more evident than in our efforts currently underway in Japan following the devastating earthquake and tsunami last month. I, along with my fellow surgeons general, traveled to Afghanistan in February and again witnessed the stellar performance of our dedicated men and women, both Active and Reserve, delivering expeditionary combat casualty care. At the NATO Role 3 Multinational Medical Unit, Navy medicine is currently leading the joint and combined staff to provide the largest medical support in Kandahar. We are working side by side with Army and

Air Force medical personnel, rapidly implementing best practices and employing unique skill sets in support of their demanding mission, leaving no doubt that the historically unprecedented survival rate from the battlefield is the direct result of better trained and equipped personnel, in conjunction with improved systems of treatment and casualty evacuation.

We spend a lot of time discussing what constitutes world class healthcare. There is no doubt in my mind that the trauma care being provided in theater today is truly world class, as are the men and women delivering it. I am pleased to report to you that their morale is high and professionalism is unmatched.

We also had the opportunity to visit our Concussion Restoration Care Center at Camp Leatherneck in Helmand Province. The center, which opened last August, assesses and treats service members with concussion, or mild traumatic brain injury, and musculoskeletal injuries. The goal is safely returning them to duty—to full duty following recovery. The Restoration Center, along with the initiatives like OSCAR, our Operational Stress Control and Readiness Program, where we embed full-time mental health personnel with deployed marines, continues to reflect our priority of positioning our medical personnel with deploying marines—our medical personnel and resources where they are most needed.

Navy medicine has no greater responsibility than caring for our service members, wherever and whenever they need us. We understand that preserving the psychological health of service members and their families is one of the greatest challenges we face today. We also know that nearly a decade of continuous combat operations has resulted in a growing population of service members suffering with traumatic brain injury. We are forging ahead with improved screening, surveillance, treatment, education, and research; however, there is still much we do not yet know about these injuries and their long-term impact on the lives of our service members.

I would specifically highlight the issuance of the directive-type memorandum in June 2010, which has increased line leaders' awareness of potential traumatic brain injury exposure, and, importantly, it mandates post-blast evaluations and removal of blast-exposed warfighters to promote recovery.

We also recognize the importance of collaboration and partnership. Our collective efforts include those coordinated jointly with the other services, the Department of Veterans Affairs, the Centers of Excellence, as well as leading academic and research institutions.

Let me now turn to patient and family centered care. Medical Home Port is Navy medicine's patient-centered medical home model, an important initiative that will significantly impact how we provide care to our beneficiaries. Medical Home Port emphasizes team-based, comprehensive care and focuses on the relationship between the patient, their provider, and the healthcare team. We continue to move forward with the phased implementation of Medical Home Port at our medical centers and family medicine teaching hospitals. An initial response from our patients and our providers is very encouraging.

Finally, I would like to address the proposed Defense Health Program cost efficiencies. Rising healthcare costs within the military

health system continue to present challenges. The Secretary of Defense has articulated that the rate at which healthcare costs are increasing and the relative proportion of the Department's resources devoted to healthcare cannot be sustained. The Department of the Navy fully supports the Secretary's plan to better manage costs moving forward and ensure our beneficiaries have access to the quality care that is the hallmark of military medicine.

In summary, I am proud of the progress we are making, but not satisfied. We continue to see groundbreaking innovations in combat casualty care and remarkable heroics in saving lives. But all of us remain concerned about the cumulative effects of worry, stress, and anxiety on our service members and their families brought about by a decade of conflict. Each day resonates with the sacrifices that our sailors, marines, and their families make quietly and without bravado. It is this commitment, this selfless service, that helps inspire us in Navy medicine. Regardless of the challenges ahead, I am confident that we are well positioned for the future.

As my last cycle of hearings is now coming to a close, as is my Navy career, I would like to thank this subcommittee and the entire Congress for their support of Navy medicine and everything that you have done to make sure that our men and women have the best in every possibility, both on the battlefield, in their recovery, and after they are out of the service.

PREPARED STATEMENT

I appreciate the opportunity to be here today, and I look forward to your questions. Thank you very much.

Chairman INOUE. Thank you very much, Admiral.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL ADAM M. ROBINSON, JR.

INTRODUCTION

Chairman Inouye, Vice Chairman Cochran, distinguished Members of the Subcommittee, I am pleased to be with you today to provide an update on Navy Medicine, including some of our accomplishments, challenges and strategic priorities. I want to thank the Committee Members for the tremendous confidence and unwavering support of Navy Medicine, particularly as we continue to care for those who go in harm's way, their families and all beneficiaries.

Navy Medicine delivers world class care, anytime, anywhere. We are forward-deployed and engaged around the world every day, no matter what the environment and regardless of the challenge. The operational tempo of this past year continues to demonstrate that we must be flexible, adaptable and ready to respond globally. We will be tested in our ability to meet our operational and humanitarian assistance requirements, as well as maintain our commitment to provide patient and family centered care to a growing number of beneficiaries. However, I am proud to say that Navy Medicine is responding to these challenges with skill, commitment and compassion.

STRATEGIC ALIGNMENT, INTEGRATION AND EFFICIENCIES

Strategic alignment with the priorities of the Secretary of the Navy, Chief of Naval Operations and Commandant of the Marine Corps is critical to our ability to meet our mission. As a world-wide healthcare system, Navy Medicine is fully engaged in carrying out the core capabilities of the Maritime Strategy and the Cooperative Strategy for the 21st Century Seapower around the globe. Our ongoing efforts, including maintaining warfighter health readiness, conducting humanitarian assistance and disaster relief missions, protecting the health of our beneficiaries, as well as training our future force are critical to our future success.

We also recognize the importance of alignment within the Military Health System (MHS) as evidenced by the adoption of the Quadruple Aim initiative as a primary focus of the MHS Strategic Plan. The Quadruple Aim applies the framework from the Institute for Healthcare Improvement (IHI) and customizes it for the unique demands of military medicine. It targets the MHS and Services' efforts on integral outcomes in the areas of readiness, population health and quality, patient experience and cost. The goal is to develop better outcomes and implement balanced incentives across the MHS.

Within Navy Medicine, we continue to maintain a rigorous strategic planning process. Deliberative planning, constructive self-assessment and alignment at all levels of our organization, have helped create momentum and establish a solid foundation of measurable progress that drives change. It's paying dividends as we are seeing improved and sustained performance in our strategic objectives.

This approach is particularly evident in our approach to managing resources. We are leveraging analytics to target resource decisions. An integral component of our Strategic Plan is providing performance incentives that promote quality and directly link back to workload, readiness and resources. We continue to evolve to a system which integrates requirements, resources and performance goals and promotes patient and family centered care. This transformation properly aligns authority, accountability and financial responsibility with the delivery of quality, cost-effective healthcare that remains patient and family centered.

Aligning incentives helps foster process improvement particularly in the area of quality. Our Lean Six Sigma (LSS) program continues to be highly successful in identifying projects that synchronize with our strategic goals and have system-wide implications for improvement. Examples include reduced cycle time for credentialing providers and decreased waiting times for diagnostic mammography and ultrasound. I am also encouraged by our collaboration with the Johns Hopkins' Applied Physics Laboratory to employ industrial engineering practices to improve clinical processes and help recapture private sector workload.

Navy Medicine continues to work within the MHS to realize cost savings through several other initiatives. We believe that robust promotion of TRICARE Home Delivery Pharmacy Program, implementation of supply chain management standardization for medical/surgical supplies and the full implementation of Patient-Centered Medical Home (PCMH) will be key initiatives that are expected to successfully reduce costs without compromising access and quality of care.

Rising healthcare costs within the MHS continue to present challenges. The Secretary of Defense has articulated that the rate at which healthcare costs are increasing and relative proportion of the Department's resources devoted to healthcare, cannot be sustained. He has been resolute in his commitment to implement systemic efficiencies and specific initiatives which will improve quality and satisfaction while more responsibly managing cost.

The Secretary of the Navy, Chief of Naval Operations and Commandant of the Marine Corps recognize that the MHS is not immune to the pressure of inflation and market forces evident in the healthcare sector. In conjunction with a growing number of eligible beneficiaries, expanded benefits and increased utilization throughout our system, it is incumbent upon us to ensure that we streamline our operations in order to get the best value for our expenditures. We have made progress, but there is more to do. We support the efforts to incentivize TRICARE Home Delivery Pharmacy Program and also to implement modest fee increases, where appropriate, to ensure equity in benefits for our retirees.

The Department of the Navy (DON) fully supports the Secretary's plan to better manage costs moving forward and ensure our beneficiaries have access to the quality care that is the hallmark of military medicine. As the Navy Surgeon General, I appreciate the tremendous commitment of our senior leaders in this critical area and share the imperative in developing a more affordable and sustainable healthcare benefit.

Navy Medicine has worked hard to get best value of every dollar Congress has provided and we will continue to do so. The President's budget for fiscal year 2012 adequately funds Navy Medicine to meet its medical mission for the Navy and Marine Corps. We are, however, facing challenges associated with operating under a potential continuing resolution for the remainder of the year, particularly in the areas of provider contracts and funding for facility special projects.

FORCE HEALTH PROTECTION

Force Health Protection is the bedrock of Navy Medicine. It is what we do and why we exist. It is our duty—our obligation and our privilege—to promote, protect and restore the health of our Sailors and Marines. This mission spans the full spec-

trum of healthcare, from optimizing the health and fitness of the force, to maintaining robust disease surveillance and prevention programs, to saving lives on the battlefield. When Marines and Sailors go into harm's way, Navy Medicine is with them. On any given day, Navy Medicine is underway and forward deployed with the Fleet and Marine Forces, as well as serving as Individual Augmentees (IAs) in support of our global healthcare mission.

Clearly, our focus continues to be combat casualty care in support of Operation Enduring Freedom (OEF). I, along with my fellow Surgeons General, recently returned from the Central Command (CENTCOM) Area of Responsibility (AOR) and again witnessed the stellar performance of our men and women delivering expeditionary combat casualty care. At the NATO Role 3 Multinational Medical Unit, Navy Medicine is currently leading the joint and combined staff to provide the largest medical support in Kandahar with full trauma care to include 3 operating rooms, 12 intensive care beds and 35 ward beds. This state-of-the-art facility is staffed with dedicated and compassionate active and reserve personnel who are truly delivering world-class care. Receiving 70 percent of their patients directly from the point of injury on the battlefield, our doctors, nurses and corpsmen apply the medical lessons learned from 10 years of war to achieve a remarkable 97 percent survival rate for coalition casualties.

The Navy Medicine team is working side-by-side with Army and Air Force medical personnel and coalition forces to deliver outstanding healthcare to U.S. military, coalition forces, contractors, Afghan national army, police and civilians, as well as detainees. The team is rapidly implementing best practices and employing unique skill sets with specialists such as an interventional radiologist, pediatric intensivist, hospitalist and others in support of their demanding mission. I am proud of the manner in which our men and women are responding—leaving no doubt that the historically unprecedented survival rate from battlefield injuries is the direct result of better trained and equipped personnel, in conjunction with improved systems of treatment and casualty evacuation.

Combat casualty care is a continuum which begins with corpsmen in the field with the Marines. We are learning much about battlefield medicine and continue to quickly put practices in place that will save lives. All deploying corpsmen must now complete the Tactical Combat Casualty Care (TCCC) training. TCCC guidelines for burns, hypothermia and fluid resuscitation for first responders have also been updated. This training is based on performing those interventions on the battlefield that address preventable causes of death. In addition, we have expanded the use of Combat Application Tourniquets (CATs) and hemostatic impregnated bandages as well as improving both intravenous therapy and individual first aid kits (IFAKs) and vehicle medical kits (VMKs).

We continue to see success with our Forward Resuscitative Surgical System (FRSS) which allows for stabilization within the "golden hour". The FRSS can perform 18 major operations over the course of 72 hours without being re-supplied. Our ability to send medical teams further forward has improved survivability rates. To this end, we are clearly making tremendous gains in battlefield medicine throughout the continuum of care. Work being conducted by the Joint Theatre Trauma Registry and Joint Combat Casualty Research Teams are enabling us to capture, evaluate and implement clinical practice guidelines and best practices quickly.

HUMANITARIAN ASSISTANCE AND DISASTER RELIEF

Navy Medicine continues its commitment to providing responsive and comprehensive support for Humanitarian Assistance/Disaster Relief (HA/DR) missions around the world. We are often the first responder for HA/DR missions due to the presence of organic medical capabilities with forward deployed Navy assets. Our hospital ships, USNS *Mercy* (T-AH 19) and USNS *Comfort* (T-AH 20) are optimally configured to deploy in support of HCA activities in South America, the Pacific Rim and East Asia.

Navy Medicine not only responds to disasters around the world and at home, we also conduct proactive humanitarian missions in places as far reaching as Africa through Africa Partnership Station to the Pacific Rim through Pacific Partnership and South America through Continuing Promise. *Mercy's* recent deployment in support of Pacific Partnership 2010, the fifth annual Pacific Fleet proactive humanitarian mission, is strengthening ongoing relationships with host and partner nations in Southeast Asia and Oceania. During the 144-day, six nation mission, we treated 109,754 patients, performed 859 surgeries and engaged in thousands of hours of medical subject matter expert exchanges.

Our hospital ships are executing our Global Maritime Strategy by building the trust and cooperation we need to strengthen our regional alliances and empower

partners around the world. With each successful deployment, we increase our interoperability with host and partner nations, non-governmental organizations and the interagency partners. Today's security missions must include humanitarian assistance and disaster response,

Enduring HA missions such as Pacific Partnership and Continuing Promise, as well other Medical Readiness Education Training Exercises (MEDRETEs) provide valuable training of personnel to conduct future humanitarian support and foreign disaster relief missions. Our readiness was clearly evident by the success of Operation Unified Response (OUR) following the devastating earthquake in Haiti last year. Our personnel were trained and prepared to accomplish this challenging mission.

CONCEPT OF CARE

Patient and family centered care is our core philosophy—the epicenter of everything we do. We are providing comprehensive, compassionate healthcare for all our beneficiaries wherever they may be and whenever they may need it. Patient and family centered care helps ensure patient satisfaction, increased access, coordination of services and quality of care, while recognizing the vital importance of the family. Navy Medicine serves personnel throughout their treatment cycle, and for our Wounded Warriors, we manage every aspect of medicine in their continuum of care to provide a seamless transition from battlefield to bedside to leading productive lives.

Medical Home Port is Navy Medicine's Patient-Centered Medical Home (PCMH) model, an important initiative that will significantly impact how we provide care to our beneficiaries. In alignment with my strategic goal for patient and family centered care, Medical Home Port emphasizes team-based, comprehensive care and focuses on the relationship between the patient, their provider and the healthcare team. The Medical Home Port team is responsible for managing all healthcare for empanelled patients, including specialist referrals when needed. Patients see familiar faces with every visit, assuring continuity of care. Appointments and tests get scheduled promptly and care is delivered face-to-face or when appropriate, using secure electronic communication. PCMH is being implemented by all Services and it is expected to improve population health, patient satisfaction, readiness, and is likely to impact cost in very meaningful ways.

It is important to realize that Medical Home Port is not brick and mortar; but rather a philosophy and commitment as to how you deliver the highest quality care. A critical success factor is leveraging all our providers, and supporting information technology systems, into a cohesive team that will not only provide primary care, but integrate specialty care as well. We continue to move forward with the phased implementation of Medical Home Port at our medical centers and family medicine teaching hospitals, and initial response from our patients is very encouraging.

CARING FOR OUR HEROES, THEIR FAMILIES AND CAREGIVERS

We have no greater responsibility than caring for our service members, wherever and whenever they need us. This responsibility spans from the deckplates and battlefield to our clinics, hospitals and beyond. This commitment to provide healing in body, mind and spirit has never been more important. Our case management programs, both medical and non-medical, play a vital role in the development of Comprehensive Recovery Plans to provide our war-injured service members' optimal outcomes. Case management is the link that connects resources and services for our Wounded Warriors and their families.

Associated with this commitment, we must understand that preserving the psychological health of service members and their families is one of the greatest challenges we face today. We recognize that service members and their families are resilient at baseline, but the long conflict and related deployments challenge this resilience. DON is committed to providing programs that support service members and their families.

The Navy Operational Stress Control program and Marine Corps Combat Operational Stress Control programs are the cornerstones of our approach to early detection of stress injuries in Sailors and Marines and are comprised of line-led programs which focus on leadership's role in monitoring the health of their people; tools leaders may employ when Sailors and Marines are experiencing mild to moderate symptoms; and multidisciplinary expertise (medical, chaplains and other support services) for more affected members.

Navy Medicine's Psychological Health (PH) program supports the prevention, diagnosis, mitigation, treatment and rehabilitation of post-traumatic stress disorder (PTSD) and other mental health conditions, including planning for the seamless

transition of service members throughout the recovery and reintegration process. We have increased the size of the mental health workforce to support the readiness and health needs of the Fleet and Marine Corps throughout the deployment cycle and, during fiscal year 2010, funded 221 clinical and support staff positions at 14 Navy military treatment facilities (MTFs) to help ensure timely access to care.

Stigma remains a barrier; however, Navy and Marine Corps' efforts to decrease stigma have had preliminary success—with increased active leadership support and Operational Stress Control (OSC) training established throughout the Fleet and Marine Forces.

Within the Marine Corps, we continue to see success with the Operational Stress Control and Readiness (OSCAR) program as well as the OSCAR Extender program. OSCAR embeds full-time mental health personnel with deploying Marines and uses existing medical and chaplain personnel as OSCAR Extenders and trained senior and junior Marines as mentors to provide support at all levels to reduce stigma and break down barriers to seeking help. Our priority remains ensuring we have the service and support capabilities for prevention and early intervention available where and when it is needed. OSCAR is allowing us to move forward in this important area.

We recently deployed our third Navy Mobile Mental Health Care Team for a 6-month mission in Afghanistan. The team consists of three mental health clinicians, a research psychologist and an enlisted psychiatry technician. Their primary tool is the Behavioral Health Needs Assessment Survey (BHNAS). The results give an overall assessment of real time force mental health and well-being every 6 months, and can identify potential areas or sub-groups of concern for leaders. It assesses a wide variety of content areas, including mental health outcomes, as well as the risk and protective factors for those outcomes such as combat exposures, deployment-related stressors, positive effects of deployment, morale and unit cohesion. The Mobile Care Team also has a mental health education role and provides training in Psychological First Aid to Sailors in groups and individually. Ultimately, Psychological First Aid gives Sailors a framework to promote resilience in one another.

Our Naval Center for Combat & Operational Stress Control (NCCOSC) is one way we are developing an environment that supports psychologically fit, ready and resilient Navy and Marine Corps forces. The goal is to demystify stress and help Sailors and Marines take care of themselves and their shipmates. NCCOSC continues to make progress in advancing research for the prevention, diagnosis and treatment of combat and operational stress injuries to include PTSD. They are involved in over 64 ongoing scientific projects with 3,525 participants enrolled. NCCOSC has recently developed a pilot program, Psychological Health Pathways, which is designed to ensure that clinical practice guidelines are followed and evidence-based care is practiced and tracked. To date, 1,554 patients have been enrolled into the program with 600,062 points of clinical data gathered. The program involves intensive mental health case management, use of standardized measures, provider training and comprehensive data tracking.

In November 2010, we launched a pilot program, Overcoming Adversity and Stress Injury Support (OASIS) at the Naval Medical Center, San Diego. Developed by Navy Medicine personnel and located onboard the Naval Base Point Loma, California, OASIS is a 10-week residential program designed to provide intensive mental healthcare for service members with combat related mental health symptoms from post-traumatic stress disorder, as well as major depressive disorders, anxiety disorders and substance abuse problems. The program offers a comprehensive approach, focusing on mind and body through various methods including yoga, meditation, spirituality classes, recreation therapy, art therapy, intensive sleep training, daily group therapy, individual psychotherapy, family skills training, medication management and vocational rehabilitation. We will be carefully assessing the efficacy of this pilot program throughout this year.

Associated with our Operational Stress Control efforts, suicide prevention remains a key component. Suicide destroys families and impacts our commands. We are working hard at all levels to build the resilience of our Sailors and Marines and their families, as well as foster a culture of awareness and intervention by the command and shipmates. Our programs are focused on leadership engagement, intervention skills, community building and access to quality treatment. All of us in uniform have a responsibility to care for our shipmates and remain vigilant for signs of stress. A-C-T (Ask—Care—Treat) remains an important framework of response. In 2010, both the Navy and Marine Corps saw reductions in the number of suicides from the prior year, with the Navy seeing a reduction of 17 percent while the Marine Corps realized a 29 percent drop.

We are also committed to improving the psychological health, resiliency and well-being of our family members. When our Sailors and Marines deploy, our families

are their foothold. Family readiness is force readiness and the physical, mental, emotional, spiritual health and fitness of each individual is critical to maintaining an effective fighting force. A vital aspect of caring for our Warriors is also caring for their families and we continue to look for innovative ways to do so.

To meet this growing challenge, Navy Medicine began an unparalleled approach in 2007 called Project FOCUS (Families OverComing Under Stress) to help our families. FOCUS is a family centered resiliency training program based on evidenced-based interventions that enhances understanding, psychological health and developmental outcomes for highly stressed children and families. FOCUS has been adapted for military families facing multiple deployments, combat operational stress, and physical injuries in a family member. It is an 8-week, skill-based, trainer-led intervention that addresses difficulties that families may have when facing the challenges of multiple deployments and parental combat related psychological and physical health problems. It has demonstrated that a strength-based approach to building child and family resiliency skills is well received by service members and their family members. Notably, program participation has resulted in statistically significant increases in family and child positive coping and significant reductions in parent and child distress over time, suggesting longer-term benefits for military family wellness.

Project FOCUS has been highlighted by the Interagency Policy Committee on Military Families Report to the President (October 2010) and has been recognized by the Department of Defense (DOD) as a best practice. Given the success FOCUS has demonstrated thus far, we will continue to devote our efforts to ensuring our service members and their families have access to this program. To date, over 160,000 Service members, families and community support providers have received FOCUS services, across 23 locations CONUS and OCONUS.

Our programs must address the needs of all of our Sailors, Marines and families, including those specifically targeted to the unique needs of reservists and our caregivers. The Reserve Psychological Health Outreach Program (RPHOP) identifies Navy and Marine Corps Reservists and their families who may be at risk for stress injuries and provides outreach, support and resources to assist with issue resolution and psychological resilience. An effective tool at the RPHOP Coordinator's disposal is the Returning Warrior Workshop (RWW), a 2-day weekend program designed specifically to support the reintegration of returning Reservists and their families following mobilization. Some 54 RWWs have been held since 2008 with over 6,000 military personnel, family members and guests attending.

Navy Medicine is also working to enhance the resilience of caregivers to the psychological demands of exposure to trauma, wear and tear, loss, and inner conflict associated with providing clinical care and counseling through the Caregiver Occupational Stress Control (CgOSC) Program. The core objectives are early recognition of distress, breaking the code of silence related to stress reactions and injuries, and engaging caregivers in early help as needed to maintain both mission and personal readiness.

In addition, the Naval Health Research Center (NHRC) produced "The Docs", a 200-page graphic novel, as a communication tool to help our corpsmen with the stresses of combat deployments. "The Docs" is the story of four corpsmen deployed to Iraq. While some events in the novel are specific to Operation Iraqi Freedom (OIF), it is not intended to depict any specific time period or conflict but rather highlight general challenges faced by corpsmen who serve as the "Docs" in a combat zone. It was developed with the intent to instill realistic expectations of possible deployment stressors and to provide examples for corpsmen on helpful techniques for in-theater care of stress injuries. This format was chosen for its value in providing thought-provoking content for discussion in training scenarios and to appeal to the targeted age group.

Nearly a decade of continuous combat operations has resulted in a growing population of service members suffering with Traumatic Brain Injury (TBI), the very common injury of OEF and OIF. The majority of TBI injuries are categorized as mild, or in other words, a concussion. We know more about TBI and are forging ahead with improved surveillance, treatment and research. However, we must recognize that there is still much we do not yet know about these injuries and their long-term impacts on the lives of our service members.

Navy Medicine is committed to ensuring thorough screening for all Sailors and Marines prior to expeditionary deployment, enhancing the delivery of care in theater, and the identification and testing of all at-risk individuals returning from deployment. We are committed to enhancing training initiatives, developing better tools to detect changes related to TBI and sustaining research into better treatment options.

Pre-deployment screening is prescribed using the Automated Neuropsychological Assessment Metrics (ANAM). Testing has expanded to Navy and Marine Corps worldwide, enhancing the ability to establish baseline neurocognitive testing for expeditionary deployers. This baseline test has provided useful comparative data for medical providers in their evaluation, treatment and counseling of individuals who have been concussed in theater.

In-theater screening and treatment has also improved over time. The issuance of the Directive-Type Memorandum (DTM) 09-033 in June 2010 has increased leaders' awareness of potential TBI exposure and mandates post-blast evaluations and removal of blast-exposed warfighters from high risk situations to promote recovery. Deploying medical personnel are trained in administering the Military Acute Concussion Evaluation (MACE), a rapid field assessment to help corpsmen identify possible concussions. Additionally, deploying medical providers receive training on the DTM requirements and in-theater Clinical Practice Guidelines (CPGs) for managing concussions.

In August 2010, the Marine Corps, supported by Navy Medicine, opened the Concussion Restoration Care Center (CRCC) at Camp Leatherneck in Helmand Province to assess and treat service members with concussion or musculoskeletal injuries, with the goal of safely returning as many service members as possible to full duty following recovery of cognitive and physical functioning. The CRCC is supported by an interdisciplinary team including sports medicine, family medicine, mental health, physical therapy and occupational therapy. I am encouraged by the early impact the CRCC is having in theatre by providing treatment to our service members close to the point of injury and returning them to duty upon recovery. We will continue to focus our attention on positioning our personnel and resources where they are most needed.

Post-deployment surveillance for TBI is accomplished through the Post-Deployment Health Assessment (PDHA) and Post-Deployment Health Reassessment (PDHRA), which are required for returning deplorers. Further evaluation, treatment and referrals are provided based on responses to certain TBI-specific questions on the assessments.

TBI research efforts are focused on continuing to refine tools for medical staff to use to detect and treat TBI. Two specific examples are a study of cognitive and physical symptoms in USMC Breacher instructors (who have a high lifetime exposure rate to explosive blasts) and an ongoing surveillance effort with USMC units with the highest identified concussion numbers to determine the best method for identifying service members requiring clinical care. These efforts are coupled with post-deployment ANAM testing for those who were identified as sustaining at least one concussion in theater. Other efforts are underway to identify physical indicators and biomarkers for TBI, such as blood tests, to help in diagnosis and detection. We are also conducting evaluations of various neurocognitive assessment tools to determine if there is a "best" tool for detecting concussion effects in the deployed environment. Our efforts also include those coordinated jointly with the other Services, the Defense and Veterans Brain Injury Center (DVBIC), and the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (DCoE).

I am committed to ensuring that we build on the vision advanced by the Members of Congress and the hard work of the dedicated professionals at all the Centers of Excellence, MTFs, research centers and our partners in both the public and private sectors. These Centers of Excellence have become important components of the Military Health System and their work in support of clinical best practices, research, outreach and treatment must continue with unity of effort and our strong support.

Our service members must have access to the best treatment, research and education available for PH and TBI. We continue to see progress as evidenced by the opening of the National Intrepid Center of Excellence (NICoE) onboard the National Naval Medical Center campus. As a leader in advancing state-of-the-art treatment, research, education and training, NICoE serves as an important referral center primarily for service members and their families with complex care needs, as well as a hub for best practices and consultation. NICoE also conducts research, tests new protocols and provides comprehensive training and education to patients, providers and families—all vital to advancing medical science in PH and TBI.

Navy Medicine is also working with the DCoE, its component centers including DVBIC, the Department of Veterans Affairs, research centers, and our partners in both the public and private sectors to support best clinical practices, research and outreach. We continue to see gains in both the treatment and development of support systems for our Wounded Warriors suffering with these injuries; however, we must recognize the challenging and extensive work that remains. Our commitment will be measured in decades and generations and must be undertaken with urgency and compassion.

THE NAVY MEDICINE TEAM

Our people are our most important assets, and their dignity and worth are maintained through an atmosphere of service, professionalism, trust and respect. Navy Medicine is fortunate to have over 63,000 dedicated professionals working to improve and protect the health of Sailors, Marines and their families. Our team includes officers, enlisted personnel, government civilians and contractors working together in support of our demanding mission. I have been privileged to meet many of them in all environments—forward-deployed with the operating forces, in our labs and training facilities, at the bedside in our medical centers and hospitals—and I'm always inspired by their commitment.

We are working diligently to attract, recruit and retain our Navy Medicine personnel. Overall, I remain encouraged with the progress we are making in recruiting and overall manning and we are seeing the successes associated with our incentive programs. In fiscal year 2010, we met our Active Medical Department recruiting goal and attained 90 percent of Reserve Medical Department goal, but there was a notable shortfall in Reserve Medical Corps recruiting at 70 percent. Given the relatively long training pipeline for many of our specialties, we clearly recognize the impact that recruiting shortfalls in prior years, particularly in the Health Professions Scholarship Program (HPSP), can have in meeting specialty requirements today and moving forward. Recruiting direct accession physicians and dentists remains challenging, requiring our scholarship programs to continue recent recruiting successes to meet inventory needs. Retention has improved for most critical wartime specialties, supported by special pay initiatives; however, some remain below our requirements and continue to be closely monitored.

Within the active component Medical Corps, general surgery, family medicine and psychiatry have shortfalls, as does the Dental Corps with general dentistry and oral maxillofacial surgery specialties. We are also experiencing shortfalls for nurse anesthetists, perioperative and critical care nurses, family nurse practitioners, clinical psychologists, social workers and physician assistants.

The reserve component shortages also exist within anesthesiology, neurosurgery, orthopedic surgery, internal medicine, psychiatry, diagnostic radiology, comprehensive dentistry and oral maxillofacial surgery as well as perioperative nursing, anesthesia and mental health nurse practitioners.

We appreciate your outstanding support for special pays and bonus programs to address these shortages. These incentives will continue to be needed for future success in both recruiting and retention. We are working closely with the Chief of Naval Personnel and Commander, Naval Recruiting Command to assess recruiting incentive initiatives and explore opportunities for improvement.

For our civilian personnel within Navy Medicine, we are also coordinating the National Security Personnel System (NSPS) replacement for 32 healthcare occupations to ensure pay parity among healthcare professions. We have been successful in hiring required civilians to support our Sailors and Marines and their families—many of whom directly support our Wounded Warriors. Our success in hiring is in large part due to the hiring and compensation flexibilities that have been granted to the DOD's civilian healthcare community over the past several years.

Our priority remains to maintain the right workforce to deliver the required medical capabilities across the enterprise, while using the appropriate mix of accession, retention, education and training incentives.

I want to also reemphasize the priority we place on diversity. Navy Medicine has continued to emerge as a role model of diversity as we focus on inclusiveness while aligning ethnic and gender representation throughout the ranks to reflect our Nation's population. Not only are we setting examples of a diverse, robust and dedicated healthcare force, but this diversity also reflects the people for whom we provide care. We take great pride in promoting our message that we are the employer of choice for individuals committed to a culturally competent work-life environment; one where our members proudly see themselves represented at all levels of leadership.

For all of us in Navy Medicine, an excerpt from the Navy Ethos articulates well what we do: "We are a team, disciplined and well-prepared, committed to mission accomplishment. We do not waiver in our dedication and accountability to our Shipmates and families."

EXCELLENCE IN RESEARCH AND DEVELOPMENT AND HEALTH EDUCATION

World-class research and development capabilities, in conjunction with outstanding medical education programs, represent the future of our system. Each is a force-multiplier and, along with clinical care, is vital to supporting our health protection mission. The work that our researchers and educators do is having a direct

impact on the treatment we are able to provide our Wounded Warriors, from the battlefield to the bedside. We will shape the future of military medicine through research, education and training.

The overarching mission of our Research and Development program is to conduct health and medical research, development, testing, and evaluation (RDT&E), and surveillance to enhance the operational readiness and performance of DOD personnel worldwide. In parallel, our Clinical Investigation Program activity, located at our teaching MTFs is, to an increasing degree, participating in the translation of appropriate knowledge and products from our RDT&E activity into proof of concept and cutting edge interventions to benefit our Wounded Warriors and our beneficiaries. We are also committed to connecting our Wounded Warriors to approved emerging and advanced diagnostic and therapeutic options within and outside of military medicine while ensuring full compliance with applicable patient safety policies and practices.

Towards this end, we have developed our top five strategic research goals and needs to meet the Chief of Naval Operations and Commandant of the Marine Corps warfighting requirements. These include:

- Traumatic brain injury (TBI) and psychological health treatment and fitness for both operational forces and home-based families.
- Medical systems support for maritime and expeditionary operations to include patient medical support and movement through care levels I and II with emphasis on the United States Marine Corps (USMC) casualty evacuation (CASEVAC) and En Route Care systems to include modeling and simulation for casualty prediction, patient handling, medical logistics, readiness, and command, control, communications and intelligence (C³I).
- Wound management throughout the continuum of care, to include chemical, molecular, and cellular indicators of optimum time for surgical wound closure, comprehensive rehabilitation; and reset to operational fitness.
- Hearing restoration and protection for operational maritime surface and air support personnel.
- Undersea medicine, diving and submarine medicine, including catastrophe intervention, rescue and survival as well as monitoring and evaluation of environmental challenges and opportunities.

During my travel overseas this past year, including Vietnam, current partnerships and future partnerships possibilities between Navy Medicine and host nation countries were evident. Increasing military medical partnerships are strengthening overall military to military relationships which are the cornerstone of overarching bilateral relations between allies. These engagements are mutually beneficial—not only for the armed forces of both countries, but for world health efforts with emerging allies in support of global health diplomacy.

Graduate Medical Education (GME) is vital to our ability to train our physicians and meet our force health protection mission. Vibrant and successful GME programs continue to be the hallmark of Navy Medicine and I am pleased that despite the challenges presented by a very high operational tempo and past year recruiting shortfalls, our programs remain strong. All of our GME programs eligible for accreditation are accredited and most have the maximum or near maximum accreditation cycle lengths. In addition, our graduates perform very well on their Specialty Boards—significantly exceeding the national pass rate in almost every specialty year after year. The overall pass rate for 2009 was 97 percent. Most importantly, our Navy-trained physicians continue to prove themselves to be exceptionally well prepared to provide care in austere settings from the battlefield to disaster relief missions.

In addition to GME, we are leveraging our inter-service education and training capabilities with the new state-of-the-art Medical Education and Training Campus (METC) in San Antonio, Texas. Now operational, METC represents the largest consolidation of Service training in the history of DOD, and is the world's largest medical training campus. Offering 30 programs and producing 24,000 graduates annually, METC will enable us to train our Sailors, Soldiers and Airmen to meet both unique Service-specific and joint missions. Our corpsmen are vital to saving lives on the battlefield and the training they receive must prepare them for the rigors of this commitment. I am committed to an inter-service education and training system that optimizes the assets and capabilities of all DOD healthcare practitioners yet maintains the unique skills and capabilities that our corpsmen bring to the Navy and Marine Corps—in hospitals, at sea and on the battlefield.

COLLABORATION ENGAGEMENT

Navy Medicine recognizes the importance of leveraging collaborative relationships with the Army and Air Force, as well as the Department of Veterans Affairs (VA), and other Federal and civilian partners. These engagements are essential to improving operational efficiencies, education and training, research and sharing of technology. Our partnerships also help create a culture in which the sharing of best practices is fundamental to how we do business and ultimately helps us provide better care and seamless services and support to our beneficiaries.

The progress we are making with the VA was clearly evident as we officially activated the Captain James A. Lovell Federal Health Care Center in Great Lakes, Illinois—a first-of-its-kind fully integrated partnership that links Naval Health Clinic Great Lakes and the North Chicago VA Medical Center into one healthcare system. We are grateful for all your support in helping us achieve this partnership between the Department of Veterans Affairs, DOD and DON. We are proud to be able to provide a full spectrum of healthcare services to recruits, active duty, family members, retirees and veterans in the Nation's first fully integrated VA/Navy facility. We look forward to continuing to work with you as we improve efficiencies, realize successes and implement lessons learned.

Navy Medicine has 52 DOD/VA sharing agreements in place for medical and ancillary services throughout the enterprise as well as 10 Joint Incentive Fund (JIF) projects. When earlier JIF projects ended, they were superseded by sharing agreements. Naval Health Clinic Charleston and the Ralph H. Johnson VA Medical Center celebrated the opening of the new Captain John G. Feder Joint Ambulatory Care Clinic. This newly constructed outpatient clinic located on Joint Base Charleston Weapons Station is a state-of-the-art 188,000 square foot facility that is shared by the VA and the Navy Health Clinic Charleston. This project is another joint initiative such as the Joint Ambulatory Care Center in Pensacola that replaced the former Corry Station Clinic; and another in Key West where the VA's Community Based Outpatient Clinic (CBOC) and the Navy Clinic are co-located, continuing collaboration and providing service at the site of our first VA/DOD Joint Venture.

We are also continuing to work to implement the Integrated Disability Evaluation System (IDES) at our facilities in conjunction with VA. To date, this program has been implemented at 15 of our MTFs. This world-wide expansion, to be completed in fiscal year 2011, follows the DES Pilot program and the decision of the Wounded, Ill and Injured Senior Oversight Council (SOC) Co-chairs (Deputy Secretary of Defense and Deputy Secretary of Veterans Affairs) to move forward to streamline the DOD DES process.

One of our most important projects continues to be the successful transition of the new Walter Reed National Military Medical Center (WRNMMC) onboard the campus of the National Naval Medical Center, Bethesda. This realignment is significant and the Services are working diligently with DOD's lead activity, Joint Task Force Medical—National Capital Region to ensure we remain on track to meet the Base Realignment and Closure (BRAC) deadline of September 15, 2011. Our priority continues to be properly executing this project on schedule without any disruption of services. We also understand the importance of providing a smooth transition for our dedicated personnel—both military and civilian—to the success of WRNMMC. We recognize that these dedicated men and women are critical to our ability to deliver world class care to our Sailors, Marines, their families and all our beneficiaries for whom we are privileged to serve.

THE WAY FORWARD

I am proud of the progress we are making, but not satisfied. We continue to see ground-breaking innovations in combat casualty care and remarkable heroics in saving lives. But all of us remain concerned about the cumulative effects of worry, stress and anxiety on our service members and their families brought about by a decade of conflict. Each day during my tenure as the Navy Surgeon General, we have been a Nation at war. Each day resonates with the sacrifices that our Sailors, Marines and their families make, quietly and without bravado. They go about their business with professionalism, skill, and frankly, ask very little in return. It is this commitment, this selfless service, that helps inspire us in Navy Medicine. Regardless of the challenges ahead, I am confident that we are well-positioned for the future.

I will be retiring from Naval Service later this year and I want to express my thanks for all the support you provide to Navy Medicine and to me throughout my tenure as the Navy Surgeon General.

Chairman INOUE. And now, may I call upon General Green.

STATEMENT OF LIEUTENANT GENERAL CHARLES B. GREEN, SURGEON GENERAL, DEPARTMENT OF THE AIR FORCE

General GREEN. Good morning.

Chairman Inouye, Senator Cochran, distinguished members of the subcommittee, I truly appreciate the opportunity to meet with you today and represent the men and women of the Air Force Medical Service. We could not achieve our goals of better readiness, better health, better care, and best value for our heroes and their families without your support. And we thank you.

MILITARY HEALTH SYSTEM ACHIEVEMENTS

Military Health System achievements have changed the face of war. We deploy and set up hospitals within 12 hours of arrival anywhere in the world. We move wounded warriors from the battlefield to operating rooms within minutes and have achieved and sustained the less than 10 percent died of wounds rate.

We move our sickest patients in less than 24 hours of injury and get them home to loved ones within 3 days to hasten their recovery.

We have safely evacuated more than 85,000 patients since October 2001, 11,300 just this last year, many of them critically injured.

The Air Force Medical Service has a simple mantra: "Trusted Care Anywhere." This fits what we do today and will continue to do in years ahead. It means creating a system that can be taken anywhere in the world and be equally effective, whether it is for war or for humanitarian assistance.

Air Combat Command's new Expeditionary Medical System, the Health Response Team, is capable of seeing the first patient within 1 hour of arrival anywhere in the world, and performing surgery within 3 to 5 hours. Our Radiological Assessment Team was in place quickly to assist Japan in measuring the levels of radiation, food and water safety, overall impact on health, and to distribute personal dosimeters for protection of our personnel. Our deployed systems are linked back to American quality care and refuse to compromise on patient safety.

Providing trusted care anywhere requires the Air Force Medical Service to focus on patients and populations. By the end of 2012, the Air Force Patient-Centered Medical Home will provide 1 million of our beneficiaries new continuity of care via single provider-led teams at all Air Force facilities.

Patient-Centered Care builds new possibilities in prevention by linking the patient to a provider team, and both the patient and the provider team to decision support from informatics networks dedicated to improving care. Efficient and effective health teams allow recapture of care in our medical treatment facilities to sustain our currency and offer best value. We will do all in our power to improve the health of our population while working to control the rising costs of healthcare.

The Air Force Medical Service treasures our partnership with OSD, the Army, Navy, VA, civilian and academic partners. We leverage all the tools that you have given us to improve retention and generate new medical knowledge. We will continue to deliver nothing less than world class care to military members and their families, wherever they may serve around the world.

PREPARED STATEMENT

And I stand ready to answer your questions. Thank you.
Chairman INOUE. All right. Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL (DR.) CHARLES B. GREEN

Military Health System achievements have changed the face of war. We deploy and set up hospitals in 12 hours of arrival almost anywhere in the world. We move wounded warriors from the battlefield to an operating room within minutes and have achieved and sustained less than 10 percent died-of-wounds rate. We move our sickest patients in less than 24 hours of injury and get them home to loved ones within 3 days to hasten recovery. We have safely evacuated more than 86,000 patients since October 2001, 11,300 in 2010 alone, many of them critically injured. This is all pretty amazing.

The Air Force Medical Service (AFMS) has a simple mantra: "Trusted Care Anywhere." This fits what we do today and will continue to do in the years ahead. It means creating a system that can be taken anywhere in the world and be equally as effective whether in war or for humanitarian assistance. This system is linked back to American quality care and refuses to compromise on patient safety. These are formidable challenges, but we have the foundation we need and the best creative minds working with us to achieve this end.

Providing Trusted Care Anywhere requires the AFMS to focus on patients and populations. Patient-centered care builds new possibilities in prevention by linking the patient to a provider team and both patient and provider team to an informatics network dedicated to improving care. Efficient and effective health teams allow recapture of care in our medical treatment facilities (MTFs) to sustain currency. Continually improving our readiness ensures patients and warfighters always benefit from the latest medical technologies and advancements.

PATIENT-CENTERED MEDICAL HOME

To improve Air Force primary care and achieve better health outcomes for our patients, we implemented our Family Health Initiative (FHI) in 2009, which is a team-based, patient-centered approach building on the Patient-Centered Medical Home (PCMH) concept established by the American Academy of Family Physicians. We aligned existing resources and now have PCMH at 32 of our MTFs caring for 340,000 enrolled patients. By the end of 2012, 1 million of our beneficiaries will have a single provider and small team of professionals providing their care at all AFMS facilities. This means much greater continuity of care, with our patients seeing the same physician or their professional partner 95 percent of the time. The result is more effective healthcare based on trust and rapport for both the patient and the provider.

Air Force Medical Home integrates the patient into the healthcare team, offering aggressive prevention and personalized intervention. Physicians will not just evaluate their patients for disease to provide treatment, but also to identify risk of disease, including genetic, behavioral, environmental and occupational risks. The healthcare team will encourage healthy lifestyle behavior, and success will be measured by how healthy they keep their patients, rather than by how many treatments they provide. Our goal is that people will live longer lives with less morbidity. We are already seeing how PCMH is bringing that goal to fruition. For example, diabetes management at Hill AFB, Utah, showed an improvement in glycemic control in 77 percent of the diabetic population, slowing progression of the disease and saving over \$300,000 per year.

Patient feedback through our Service Delivery Assessment survey shows an overall improvement in patient satisfaction for patients enrolled in PCMH, with the greatest improvement noted in the ability to see a personal provider when needed. As relationships develop, our providers will increase their availability to patients after hours and through secure patient messaging. This will further enhance patient satisfaction and reduce costs by minimizing emergency department visits.

Our next step is to embark on an innovative personalized medicine project called Patient Centered Precision Care, or PC², that will draw and build on technological and genetic based advances in academia and industry. Effective, customized care will be guided by patient-specific actionable information and risk estimation derived from robust Health Information Technology applications. We're excited about our collaboration opportunities with renowned partners, such as the Duke Institute for Genome Sciences and Policy, IBM, and others.

Patient-centered care includes caring for Air Force special needs families, and we are working closely with our personnel community to ensure these families receive the specialized medical or educational support they require. The Air Force Exceptional Family Member Program (EFMP) is a collaborative and integrated program that involves medical, family support, and assignment functions to provide seamless care to these families. Enhanced communication of the program will be facilitated by an annual Caring for People Forum at each installation, giving families an opportunity to discuss concerns and receive advice. Starting in fiscal year 2012, the Air Force will begin adding 36 full-time Special Needs Coordinators at 35 medical treatment facilities (MTFs) to address medical concerns and assignment clearance processes.

An important aspect of patient-centered preventive care includes safeguarding the mental health and well-being of our people and improving their resilience, because no one is immune to the stresses and strains of life. While Air Force suicide rates have trended upward since 2007, our rate remains below what we experienced before the inception of our suicide prevention program in 1997. The most common identified stressors and risk factors have remained the same over the last 10 years: relationship, financial and legal problems. Although deployment can stress Airmen and their families, it does not seem to be an individual risk factor for Airmen, and most Airmen who complete suicide have never deployed. We are redoubling our efforts to prevent suicide and specifically target those identified at greatest risk.

We use the Air Force Post-deployment Health Assessment (PDHA) and Post-deployment Health Reassessment (PDHRA) to identify higher risk career groups for post-traumatic stress disorder (PTSD). While most Air Force career fields have a very low rate of PTSD, others such as EOD, security forces, medical, and transportation have higher rates of post traumatic stress symptoms.

Advances in treatment, such as the Virtual Reality Exposure Therapy (VRET) system we call "Virtual Iraq," have been fielded to treat service members returning from theater with PTSD and other related mental health disorders. This system is founded on two well established forms of psychotherapy: Cognitive-Behavioral Therapy and Prolonged Exposure Therapy. VRET is now deployed at 10 Air Force mental health clinics and is lauded by patients.

The Air Force provides additional support to our most at-risk Airmen with front-line supervisor's suicide prevention training given to all supervisors in career fields with elevated suicide rates. Mental health providers are seeing patients in our primary care clinics across the Air Force. They see patients who may not otherwise seek care in a mental health clinic because of perceived stigma. We have significantly expanded counseling services beyond those available through the chaplains and mental health clinic. Other helping programs include Military Family Life Consultants, who see individuals or couples; and Military OneSource, which provides counseling to active duty members off-base for up to 12 sessions.

A recent example of how suicide prevention skills saved a life is the story of how Senior Airman Jourdan Gunterman helped save a friend from halfway around the world in Afghanistan. His training first helped him recognize the warning signs of a friend in trouble: drinking heavily, violent outbursts, disciplinary actions, and recent discharge from the Air Force following a challenging deployment. A cryptic emotional message on Facebook from the friend led Airman Gunterman to question his friend's disturbing behavior. He discovered his friend had ingested a bottle of pills.

When his troubled friend no longer responded, Airman Gunterman obtained the friend's phone number on-line from another friend, Senior Airman Phillip Sneed, in Japan. Airman Sneed promised to keep calling the friend until he picked up. Meanwhile Airman Gunterman enlisted the help of his chaplain to locate the suicidal friend. Finally, locating a hometown news release about his friend, Airman Gunterman was able to learn his friend's parents' names and then used a search engine to find their address. He contacted the local police, who rushed to the friend's house and saved him. Airman Gunterman is an expert with social media—but more important—he is an incredible wingman who saved his buddy's life.

Resiliency is a broad term that describes the set of skills and qualities that enable Airmen to overcome adversity and to learn and grow from experiences. It requires a preventive focus based on what we have learned from individuals who've been through adversity and developed skills to succeed. Distilling those skills and teaching them will lead to a healthier force.

The Air Force uses a targeted resiliency training approach, recognizing different Airmen will be in different risk groups. For those who have higher exposure to battle, we have developed initiatives such as the Deployment Transition Center (DTC) at Ramstein Air Base, Germany, which opened in July. The DTC provides a 2-day reintegration program en route from the war zone, involving chaplain, mental

health, and peer facilitators. The DTC provides training, not treatment—the focus is on reintegration into work and family. Feedback from deployers has been overwhelmingly positive.

We teach our Airmen that seeking help is not a sign of weakness, but a sign of strength. Lieutenant Colonel Mary Carlisle is an Air Force nurse who struggled with PTSD following her deployment. She shares her story of how she was able to overcome PTSD by seeking help and treatment. She realized that she would be affected forever, but is now more resilient from her experience and treatment. She shared her story with over 700 of my senior medics at a recent leadership conference. Lt. Col. Carlisle's openness and leadership are an invitation to others to tell their stories, and in so doing change our culture and shatter the stigma associated with mental healthcare.

In addition to the Air Force-wide approach, some Air Force communities are pursuing other targeted initiatives. The highly structured program used by Mortuary Affairs at Dover AFB, Delaware, where casualties from OIF and OEF are readied for burial, is now being used as a model for medics at our hospitals in Bagram, Afghanistan, and Balad, Iraq, where the level of mortality and morbidity are much higher than most medics see at home station MTFs. The Air Force continually seeks to leverage existing "best practice" programs such as Dover's for Air Force-wide use. If we can help our Airmen develop greater resiliency, they will recover more quickly from stresses associated with exposure to traumatic events.

RECAPTURING CARE AND MAINTAINING CURRENCY

Trusted Care means good stewardship of our resources. In an era of competing fiscal demands and highly sought efficiencies, recapturing patients back into our MTFs is critical. Where we have capability, we can provide their care more cost-effectively by managing care in our facilities. Equally important is building the case load and complexity needed to keep our providers' skills current to provide care wherever the Air Force needs them. We have expanded our hospitals and formed partnerships with local universities and hospital systems to best utilize our skilled professionals.

We value our strong academic partnerships with St. Louis University; Wright State University (Ohio); the Universities of Maryland, Mississippi, Nebraska, Nevada, California and Texas, among others. They greatly enrich our knowledge base and training opportunities as well as provide excellent venues for potential resource sharing.

Since the early 1970s, many Air Force Graduate Medical Education (GME) programs have been affiliated with civilian universities. Our affiliations for physician and dental education at partnership sites have evolved to include partnership sponsoring institutions for residencies. In addition, our stand-alone residency programs have agreements for rotations at civilian sites. Our Nurse Education Transition Program (NETP) and Nurse Enlisted Commissioning Program (NECP) have greatly benefited from academic partnerships. The NETP is available at 11 sites with enrollment steadily increasing, while the NECP enrolls a total of 50 nursing students per year at the nursing school of their choice. A nursing program partnering with Wright State University and Miami Valley College of Nursing in Ohio, and the National Center for Medical Readiness Tactical Laboratory has produced a master's degree in Flight Nursing with Adult Clinical Nurse Specialist in disaster preparedness, a first of its kind in the country.

Our GME programs are second to none. Our first-time pass rates on specialty board exams exceed national rates in 26 of 31 specialty areas. Over the past 4 years, we've had a 92 percent overall first time board pass rate. I am very proud of this level of quality in our medics and grateful to our civilian partners who help make Air Force GME a success.

Partnerships leveraging our skilled work force prepare us for the future. Our Centers for the Sustainment of Trauma and Readiness (C-STARS) in Baltimore, Cincinnati and St. Louis continue to provide our medics the state-of-the-art training required to treat combat casualties. In 2009 we complemented C-STARS with our Sustainment of Trauma and Resuscitation Program (STARS-P) program, rotating our providers through Level 1 trauma centers to hone their war readiness skills. Partnerships between Travis AFB and University of California at Davis; Nellis AFB, and University Medical Center, Nevada; Wright-Patterson AFB and Miami Valley Hospital; Luke AFB and the Scottsdale Health System; MacDill AFB and Tampa General Hospital; and others, are vital to sustaining currency.

Our hospitals, C-STARS and STARS-P locations are enhanced by the Air Force medical modeling and simulation Distributed High-Fidelity Human Patient Simulator (DHPS) program. There are currently 80 programs worldwide and the AFMS

is the Department of Defense lead for medical simulation in healthcare education and training. Over the next year, we will link the entire AFMS using Defense Connect Online and our new Web tele-simulation tool. This will enable all Air Force MTFs to play real time medical war games that simulate patient management and movement from point of injury to a Level 3 facility and back to the States.

Our partnership with the Department of Veterans Affairs (VA) has provided multiple avenues for acquiring service, case mix, and staffing required for enhancing provider currency. Direct sharing agreements, joint ventures and the Joint Incentive Fund (JIF) have all proved to be outstanding venues for currency and collaboration.

A great example is the JIF project between Wright-Patterson Medical Center and the Dayton VA. The expansion of their radiation-oncology program includes a new and promising treatment called stereotactic radio surgery. This surgery, really a specialized technique, allows a very precise delivery of a single high dose of radiation to the tumor without potentially destructive effects to the surrounding tissues. Without a single drop of blood, the tumor and its surrounding blood supply are destroyed, offering the patient the hope of a cure and treatment that has fewer side effects.

In another Air Force/VA success story, Keesler AFB, MS and VA Gulf Coast Veterans Health Care System Centers of Excellence Joint Venture is receiving acclaim. Ongoing clinical integration efforts have shown an increase in specialty clinic referrals. Plans for continued integration are on track, with many departments sharing space and staff by fiscal year 2012 and the joint clinic Centers of Excellence in place by fiscal year 2013.

Providing a more seamless transition for Airmen from active duty to the VA system remains a priority. This process has been greatly enhanced with the Integrated Disability Evaluation System (IDES). Expansion of the initial pilot program is occurring by region in four stages, moving west to east, and centered around the VA's Veteran Integrated Service Networks (VISN). Phase 3 of the expansion has added an additional 18 Air Force MTFs for a total of 24. The Services and the VA continue to conduct IDES redesign workshops to further streamline the process to be more timely and efficient for all transitioning Service members. The goal is to provide coverage for all Service members in the IDES by September 2011.

We continue to look for innovative ways and new partnerships to meet our currency needs and provide cutting-edge care to our military family. We will expand partnerships with academic institutions and the VA wherever feasible to build new capabilities in healthcare and prevent disease.

CONTINUOUSLY IMPROVING READINESS ASSETS

We have made incredible inroads in our efforts to be light, lean and mobile. Not only have we vastly decreased the time needed to move our wounded patients, we have expanded our capabilities. Based on lessons learned from our humanitarian operations in Indonesia, Haiti and Chile, we developed obstetrics, pediatrics and geriatrics modules that can be added to our Expeditionary Medical System (EMEDS). We simply insert any of these modules without necessarily changing the weight or cube for planning purposes. Medics at Air Combat Command are striving to develop an EMEDS Health Response Team (HRT) capable of seeing the first patient within 1 hour of arrival and performing the first surgery within 3–5 hours. We will conduct functional tests on the new EMEDS in early 2011.

On the battlefield, Air Force vascular surgeons pioneered new methods of hemorrhage control and blood vessel reconstruction based on years of combat casualty experience at the Air Force Theater Hospitals in Iraq and Afghanistan. The new techniques include less invasive endovascular methods to control and treat vascular injury as well as refinement of the use of temporary shunts. Their progress has saved limbs and lives and has set new standards, not only for military surgeons, but also for civilian trauma.

A team of medical researchers from the 59th Medical Wing Clinical Research division has developed a subject model that simulates leg injuries seen in Iraq and Afghanistan to enable them to try interventions that save limbs. The team is also studying how severe blood loss affects the ability to save limbs. Their findings show blood flow should be restored within the first hour to avoid muscle and nerve damage vs. traditional protocol that allowed for 6 hours. Team member and general surgery resident Captain (Dr.) Heather Hancock, stated, "You cannot participate in research designed to help our wounded soldiers and not be changed by the experience."

We are also advancing the science and art of aeromedical evacuation (AE). We recently fielded a device to improve spinal immobilization for AE patients and are working as part of a joint Army and Air Force team to test equipment packages de-

signed to improve ventilation, oxygen, fluid resuscitation, physiological monitoring, hemodynamic monitoring and intervention in critical care air support.

We are finding new ways to use specialized medical equipment for our wounded warriors. In October, we moved a wounded Army soldier with injured lungs from Afghanistan to Germany using Extracorporeal Membrane Oxygenation (ECMO) support through the AE system—the first time we have used AE ECMO for an adult. The ECMO machine provides cardiac and respiratory support for patients with hearts and/or lungs so severely diseased or damaged they no longer function. We have many years of experience with moving newborns via the 59th Medical Wing (Wilford Hall) ECMO at Lackland AFB, Texas, but the October mission opened new doors for wounded care.

Another new tool in battlefield medicine is acupuncture. The Air Force acupuncture program, the first of its kind in DOD, has expanded beyond clinic care to provide two formal training programs. Over 40 military physicians have been trained. We recognize the success of acupuncture for patients who are not responding well to traditional pain management. This is one more tool to help our wounded Soldiers and Airmen return to duty more rapidly and reduce pain medication usage.

We've made progress with electronic health records in the Theater Medical Information Program Air Force (TMIP-AF), now used by AE and Air Force Special Operations. TMIP-AF automates and integrates clinical care documentation, medical supplies, equipment and patient movement with in-transit visibility. Critical information is gathered on every patient and entered into our deployed system. Within 24 hours, records are moved and safely stored in our databases stateside.

Established in May 2010 with the Air Force as lead component, the Hearing Center of Excellence (HCE) is located at Wilford Hall in San Antonio, TX. This center continues to work closely with Joint DOD/VA subject matter experts to fine-tune concepts of operation. Together we are moving forward to achieve our goals in the areas of outreach, prevention, care, information management and research to preserve and restore hearing.

DOD otologists have worked internally and with NATO allies to investigate emerging implant technologies and have developed plans to test a central institutional review board (IRB) in a multi-site, international study to overcome mixed hearing loss. The HCE is also pursuing standardization of minimal baseline audiometric testing and point of entry hearing health education within DOD. They are working with the Defense Center of Excellence for Psychological Health and Traumatic Brain Injury (DCoE) to establish evidence-based clinical practice guidelines for management of the post-traumatic patient who suffers from dizziness. The HCE has worked with analysts within the Joint Theater Trauma System to develop the Auditory Injury Module (AIM) to collect auditory injury data within the Joint Theater Trauma Registry (JTTR). These, among others, are critical ways the HCE supports the warfighter in concert with our partners at DCoE and the VA.

All of these advances I've addressed are critical to improving medical readiness, but the most important medical readiness assets are our people. Recruiting and retaining top-notch personnel is challenging. We continue to work closely with our personnel and recruiting partners to achieve mission success. Optimizing monetary incentives, providing specialty training opportunities, and maintaining a good quality of life for our members are all essential facets to maintaining a quality workforce.

The AFMS continues to optimize the use of monetary incentives to improve recruiting and retention. We are working with the Air Force personnel and recruiting communities to develop a sustainment model specific for each of the AFMS Corps. Specifically, we are targeting the use of special pays, bonuses, and the Health Professions Scholarship Program (HPSP) to get the greatest return on investment. Congress' support of these programs has helped to maintain a steady state of military trained physicians, dentists, nurses, and mental health professionals.

The new consolidated pay authority for healthcare professionals allows greater flexibility of special pays to enhance recruitment and retention of selected career fields. While we use accession bonuses to attract fully qualified surgeons, nurses, mental health specialists, and other health professionals to the AFMS, HPSP remains the number one AFMS pipeline for growing our own multiple healthcare professionals.

We were able to execute 100 percent of HPSP in fiscal year 2009 and fiscal year 2010 and were able to graduate 219 and 211 new physicians, respectively, in these years. In fiscal year 2010, 49 medical school graduates from the Uniformed Services University of the Health Sciences also joined the Air Force Medical Service. These service-ready graduates hit the ground running. Specialized military training and familiarity with the DOD healthcare system ensures more immediate success when they enter the workforce. Once we have recruited and trained these personnel, it

is essential that we are able to keep them. We are programming multiyear contractual retention bonuses at selectively targeted healthcare fields such as our physician and dental surgeons, operating room nurses, mental health providers, and other skilled healthcare professions to retain these highly skilled practitioners with years of military and medical expertise.

For our enlisted personnel, targeted Selective Reenlistment Bonuses, combined with continued emphasis on quality of life, generous benefits, and job satisfaction, positively impact enlisted recruiting and retention efforts. Pay is a major component of recruiting and retention success, but we have much more to offer. Opportunities for education, training, and career advancement, coupled with state-of-the-art equipment and modern facilities, serve together to provide an excellent quality of life for Air Force medics. Successful and challenging practices remain the best recruiting and retention tool available.

We look 20 to 30 years into the future to understand evolving technologies, changing weapon systems, and changes in doctrine and tactics to protect warfighters from future threats. This ensures we provide our medics with the tools they need to fulfill the mission.

We continue to build state-of-the-art informatics and telemedicine capabilities. Care Point now allows individual providers to leverage our vast information databases to learn new associations and provide better care to patients. These same linkages allow our Applied Clinical Epidemiology Center to link healthcare teams and patients with best practices. VTCs are now deployed to 85 of our mental health clinics broadening the reach of mental health services, and our teleradiology program provides digital radiology systems interconnecting all Air Force MTFs, enabling diagnosis 24/7/365.

We are engaged in exciting research with the University of Cincinnati to enhance aeromedical evacuation, focusing on the challenges of providing medical care in the darkened, noisy, moving environments of military aircraft. We are studying how the flight environment affects the body, and developing possible treatments to offset those effects. Clinical studies are examining the amount of oxygen required when using an oxygen-concentrating device at higher altitudes. Simulators recreate the aircraft medical environments and are used extensively to train our medical crews. This new research expands our knowledge and training opportunities, and offers the possibility of future partnering efforts.

We are also developing directed energy detection and laser assisted wound healing; advancing diabetes prevention and education; and deploying radio frequency identification technology in health facilities. We partner with multiple academic institutions to advance knowledge and apply evidence based medicine and preventive strategies with precision. These are some of the critical ways we seek to improve readiness, advance medical knowledge and keep the AFMS on the cutting edge for decades to come.

THE WAY AHEAD

While at war, we are successfully meeting the challenges of Base Realignment and Closure as we draw near to the 2011 deadline. We have successfully converted three inpatient military treatment facilities to ambulatory surgery centers at MacDill AFB, Florida; Scott AFB, Illinois; and the USAF Academy, Colorado. By September of this year, the medical centers at Lackland AFB, Texas; and Joint Base Andrews, Maryland are on track to convert to ambulatory surgery centers. The medical center at Keesler AFB, Mississippi, is poised to convert to a community hospital. Medical Groups at Joint Base Lewis-McChord, Washington and Pope AFB, North Carolina have been effectively realigned as Medical Squadrons. Military treatment facilities at Shaw AFB, South Carolina; Eglin AFB, Florida; Joint Base McGuire, New Jersey; and Joint Base Elmendorf, Alaska; have been resourced to support the migration of beneficiaries into their catchment areas as a result of BRAC realignments.

At Wright-Patterson AFB, Ohio, we have relocated cutting-edge aerospace technology research, innovation, and training from Brooks AFB. In tandem with our sister Services, we have also relocated basic and specialty enlisted medical training to create the new Medical Education and Training Campus (METC), the largest consolidation of training in DOD history.

Our strategy to control DOD healthcare costs is the right approach to manage the benefit while improving quality and satisfaction. Adjustments to the benefit such as minimally raising TRICARE enrollment fees for working retirees, requiring future enrollees to the U.S. Family Health Plan to transition into TRICARE-for-Life upon turning 65 years of age, paying sole-source community hospitals Medicare rates, and incentivizing the use of the most effective outlets for prescriptions are prudent.

There will be limited impact (prescription only) on active duty family members. By implementing these important measures we will be able to positively affect the rising costs of healthcare and improve the health of our population.

The AFMS is firmly committed to MHS goals of readiness, better health, better care and best value. We understand the value of teaming and treasure our partnerships with the Army, Navy, VA, academic institutions, and healthcare innovators. We will continue to deliver nothing less than world-class care to military members and their families, wherever they serve around the globe. They deserve, and can expect, Trusted Care Anywhere. We thank this Subcommittee for your support in helping us to achieve our mission.

RECRUITING MEDICAL PROFESSIONALS

Chairman INOUE. General Green, let us start with you.

The subcommittee has been advised that an important aspect of your work is the recruiting of medical professionals, and you need them to carry out the services. But I have been told that it is a challenge because, for example, the Government Accountability Office (GAO) reported that hiring civil servants at the Defense Centers of Excellence for Traumatic Brain Injury took an average of about 4 months. And the nomination of medical officers can take just as long. What are you doing to streamline this effort?

General GREEN. Sir, your information is correct. It can take significant time to bring a fully qualified individual on board. Our major effort in terms of what we as medics have been doing is to shift some of our recruiting for fully qualified and the dollars associated into our scholarship programs. And over the last 3 to 4 years, we have expanded our scholarships through the Health Professional Scholarship Program by nearly 400, from about 1,266 to 1,666. This is not just used for physicians, but also for pharmacists and for psychologists, trying to bring in the right expertise. And although there is a longer trail to get these folks, we now have a more reliable understanding of what is in the pipeline and when we will we have solutions.

With regard to the specific questions regarding hiring civilians, we find frequently that we have to go after contractors rather than using general schedule (GS). It takes a little longer to get GS positions on our books, and so, when we have a more immediate need, we will substitute a contractor until we can get those positions into our books where we can use them. There has been a lot of effort in our A-1 community to try and streamline civilian hiring, and we are making progress. If you would have asked me this same question really within the last 1½ or 2 years, you would not have been talking to me about 4 months; you might have been talking about 6 months and longer. And so, we are making progress in terms of our civilian hiring.

When you talk to the military side and the scroll process in terms of how we get our officers, we continue to work with our A-1 personnel community to try and shorten that process. And when needed for specific expertise, we have been able to come through the process more rapidly. But it remains a process, as defined in law, that is fairly lengthy to ensure we bring the right people when we are bringing them on our books as Federal employees.

MEDICAL PAY SCALES

Chairman INOUE. Do you find that the pay scale provided is competitive?

General GREEN. I think that we have many special pays available, not just to the military, but also to our GS that does make them competitive. It is on the Active duty side, we certainly have a dynamic ability to move dollars to the specialties that we need and make ourselves competitive. On the civilian side, it is sometimes more difficult, but there are pays associated that do drive for the non-super specialist competitive pay. If you are asking me if I can get in the GS world a competitive salary for a neurosurgeon, the answer is no, and it has to do with what the civilian world is driving in terms of salaries for these folks. But that is not true necessarily for some of the areas where we are the shortest in terms of our flight surgeons and our family practitioners. When you start talking to trauma surgeons, particularly to try and hire them into a GS position, that is more difficult.

And so, from a military perspective, the answer is, we have the authorities we need to offer pay that will retain and recruit new members on the GS side. I think that we are competitive in the primary care specialties, but not as competitive in the sub-specialties.

Chairman INOUE. All right. Thank you very much. I will be submitting questions, if I may.

General GREEN. Yes, sir, of course.

Chairman INOUE. Admiral Robinson, when I first visited Afghanistan, I was impressed and surprised to note that the Navy was running the hospital, and it was landlocked.

MEDICAL SERVICES TO DEPLOYED MARINES

Admiral ROBINSON. It still is.

UNIDENTIFIED SPEAKER. We are under the bridge now.

Admiral ROBINSON. We tried to move it to the water, but it did not work.

Chairman INOUE. How do you provide services to, say, the marines that are usually deployed to forward operating bases? I notice that some of the reports coming in indicate the difficulty involved in evacuating them. Do you have any special techniques?

Admiral ROBINSON. No, sir. I am not sure I understand your question. How do we provide support to forward deployed medical personnel or forward deployed naval personnel?

Chairman INOUE. Forward deployed marines.

Admiral ROBINSON. Marines, I am sorry. Forward deployed marines have—we have a methodology that includes having with them FRSs, forward resuscitative surgical teams, and also surgical trauma platoons that usually operate with the marines in their forward areas.

The first line of medical defense or the first line of medical operations would be the corpsmen. The corpsmen are there and are going to provide the type of emergency care with tourniquets and with the ABCs, airway, breathing, and circulation control. That is going to be followed by the corpsmen teaching buddy care to the other marines that are in the units that are there. This is very important because very often my corpsmen are also injured and injured in very grave ways. So often, the immediate care that they need has to come from a buddy who has in fact been instructed in the proper utilization and the use of tourniquets.

As the injuries occur and as the word gets out that we have injuries, we then have the FRSs, the forward resuscitative surgical teams, that are forward deployed and can do resuscitative surgery in a very timely fashion. The resuscitative surgery is meant to be lifesaving only—to staunch the bleeding, to meet the immediate needs of the patient to restore circulation, to restore volume, and then to evacuate the patient to a higher level of care, which is usually at a Role 3 facility, such as Kandahar.

Chairman INOUE. All right. Thank you very much. And I will be submitting more questions, if I may.

Admiral ROBINSON. Yes, sir.

Chairman INOUE. General, I am constantly amazed at the advancements we have made in medicine, plus other things like body armor and greater armor on our trucks and vehicles. And, for example, I was pleased with some of the advancements made in protecting hearing because of the explosions in the cars. But I am well aware that you are currently working on many other advancements. I will give you an opportunity to brag about it now. What are we doing?

General SCHOOMAKER. Well, sir, I think you have heard my colleagues describe—and you yourself described—some of the things that you have seen improvements in since you were a soldier in the Second World War. And those advances are really—have taken place, as you point out, all the way from protecting soldiers—changing combat tactics on the battlefield—to further protect soldiers and reduce risks, to the development of improved body armor, vehicles, combat goggles, ballistic goggles, hearing protection, better helmets, and the like. In fact, we have a program that is done in a joint environment. In fact, most of what is being described here and what you have alluded to is actually a joint effort, meaning all services are involved in either—even other agencies.

The program to improve body armor, personal protective equipment for the soldier or their vehicles, and aviation equipment is known as the Joint Theater Analysis for Protection of Injury in Combat, the JTAPIC program. And this tracks injuries, both survivable and non-survivable injuries, and then looks at the vehicle, the personal protective equipment, and goes to the next level to develop a better protection, a better vehicle for them. And that has been very successful.

But we have done what Admiral Robinson talked about. We have better trained the individual combatant as to how they can do lifesaving on themselves. We have issued better bandages to the individual soldier, a tourniquet for every soldier, and we train young soldiers to be almost medics, combat lifesavers. So, it is frequent that a combatant who is injured in combat would be first treated by himself or a colleague, and then a medic would appear on the scene, or a corpsman in the case of the Navy. That corpsman is better trained and that medic is better trained than in past wars.

And then evacuation has improved. We have seen recently in Afghanistan when we visited that the footprint of air evacuation, which is largely through the Army, is very robust. In fact, every casualty in which a aircraft is not launched within 15 minutes of having a request or does not complete the mission within 60 minutes, is briefed all the way up to the top of the Department of De-

fense really, and they have to explain why they could not meet that Golden Hour. And that is generally because of weather or operational, or someone makes a decision—an appropriate clinical decision—to overfly the most immediate, you know, surgical site to go to a better and more definitive care site. That has been very successful.

We have also placed critical care nurses now on the—selected medivac flights and have seen improvements in survival.

A consequence of all of this through the Joint Theater Trauma System is that incrementally we have improved every stage of care of the combatant from the point of injury through the evacuation chain to forward resuscitative care and how surgeons are doing. We are really directing even trauma care for the world at large in the civilian sector, who benefited greatly from and have contributed to our understanding of this.

What we are currently seeing as a consequence of that—I will just make a note of this—is that the survivors of some of these really grievous wounds now are not they themselves very grievously wounded. And we are working in concert with the other services and the VA to better care for a much more complex injury than we have seen in previous conflicts, or even earlier in this conflict.

I hope that addresses your question, sir.

Chairman INOUE. Yes. I have just one other.

A couple of years ago, I learned at one of these hearings that the man who is deployed out on the front lines has on his body something like 100 pounds of armor and equipment. And so, I took a special effort to weigh what I had to carry, and mine was less than 25 pounds. That included a medical kit and ammunition boots, helmet, my gun. Can we lighten the load?

General SCHOOMAKER. Yes, sir. There is a very active program in the Army, and I think in all the services. The Soldier Program is intended to do exactly what you have talked about, but I think there are limitations to the weight and cube. Every item that goes into the basic load for a combat soldier, right down to the packaging of their meals or the material that goes into their uniforms, is evaluated for its relative contribution for cost and weight.

But you heard Sergeant Giunta, who is our first living recipient of the Medal of Honor, when you honored him here in Congress, mentioned that he used to complain about those ceramic sappy plates and his body armor until he was shot twice and survived it. And he said, I'll never complain about carrying that load again. It is a very delicate balance, and I do not mean to trivialize or minimize what the soldier or the marine, any combatant is carrying. But I think it is an active process of looking at reducing that weight.

Chairman INOUE. Thank you very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

Thank you all for being here this morning and helping us with your assessment of the needs for funding of the programs and activities of the U.S. military. We appreciate your careers of service.

I was especially taken with the comments about how in our medical assessment of fitness for duty—I think General Schoomaker made this point—after a person has fulfilled a requirement of serv-

ice of tours of duty on a voluntary basis, and there is a question about fitness or physical impairment caused by service in the military, that there are two really distinct questions that have to be answered when there is a claim for disability. One is an assessment of fitness for duty, which is a military issue, and the other is a medical issue. How do you sort out the differences and what the impacts are in terms of individual claims under our current state of the law? Would you like to take a shot at that first, General Schoomaker?

General SCHOOMAKER. I will, then I would love to hear from General Green, who is actually one of the co-chairs of the Disability Evaluation System for the—a review for the Department of Defense. I do not mean to pass the buck here, but we have been sort of fighting this war for, literally and figuratively, for a very long time, Senator, so I appreciate that question.

The current law and policy that governs the disability adjudication for an individual soldier—I am a soldier, so I will use the term soldier, but it extends to sailors, airmen, and marines as well—is a dual system in which the military makes a judgment about any conditions which are unfitting for service, and then makes a decision about the unfitting condition that would lead to separation of that soldier.

Ironically, the termination of the disability that derives from that condition is identical to what the Veterans Administration uses. We actually use the same tables; they were developed in concert. But then the Veterans Administration—the Veterans Benefits Administration—looks at the same soldier and the same constellation of problems, but adjudicates disability on the basis of the whole person concept, in which every individual illness or injury, current or past, can be put into the equation, and comes up with a whole person disability kind of equation.

The two are high disparate. The difficulty we face is that soldiers get direct benefits from the military on the basis for that single unfitting condition. And as benefits have improved, especially—health benefits under the TRICARE program, if you can pass in the military side a critical threshold of 30 percent disability, you are entitled then to the benefits of healthcare for yourself, which follow any military medical disability, but for your family as well. It has become a very, very desirable benefit to have. And soldiers are confused and their families are angered by the fact that we adjudicate for only that one unfitting condition and yet pass to the VA, and they see that, you know, had you been evaluated by a much more—a much larger, more composite system, it might have been, I would have been eligible for a higher degree of benefit from that.

So we have eliminated some of the confusion and miscommunication, and we have accelerated the rate at which soldiers and their families can get VA benefits by this integrative process whereby a single physical exam is conducted by the VA in an adjudication of the total disability. But we still are required under the current state to adjudicate in the military system for the unfitting condition and in the VA system for the total person. We are advocating for the DOD—the Army—to adjudicate for—excuse me, determine unfitness, which is our title X authority and requirement,

but then pass to the VA, which is—are the experts in disability adjudication, the responsibility for doing more comprehensive disability evaluation.

With that, with your permission, sir, I will just pass to General Green.

Senator COCHRAN. Sure.

General Green.

ASSESSING PHYSICAL DISABILITY

General GREEN. Yes, sir. I am the co-chairman with Dr. Karen Guice from the VA on the Recovering Warrior Task Force, which has now had three meetings and basically three site visits. We are still in our discovery phase, if you will, in terms of the differences in approach between the services.

Within the current constraints, we do see—or current laws, basically—we do see some differences as—in terms of each service's approach. But there are similarities, and that is the area where Dr. Schoomaker is talking. Basically, we now are all using a single physical for the assessment of disability. Because we all use the same tables, it makes sense for everyone to use the same physical assessment.

The place where there is some variance is in the service's assessment of ability to continue on active duty. Today once the average soldier, sailor, or airman go through the DES process, the current return to duty, even having gone all the way through the DES, is about—I will use the Air Force's numbers—17 to 20 percent in terms of being a little high. And so, you would think that once the physical is done that we could assess whether that person could stay on Active duty or not and that it would not necessarily go through the remainder of the disability system evaluation. But the way it is currently being run, there are slight differences in terms of each service.

The other thing that happens, as Dr. Schoomaker was outlining, is that the VA looks at a total person for their disability rating. So, whereas—I will use something non-combat related. Whereas your cardiovascular disease may be significant enough to prevent you from being able to stay on Active duty, some of the other things that are rated in terms of the total disability are not necessarily disabling for DOD service, things like flat feet, or a recurrent rash, or mild hearing loss, things that could actually—you could stay on Active duty if you did not have the cardiovascular disease. And so, if we were to move to a system wherein the DOD simply paid for the total disability, there is a significant cost to the Government, whereas the current system basically has DOD paying for that ailment, if you will, that is disabling from further service.

I think that as the task force continues, we will have some recommendations. You folks have been kind enough to give the task force some time to look at this as we kind of check out whether the systems that have been put in place are providing the best service to our recovering warriors. I do not want to speak for the committee because we really are still in discovery phase, but just to reaffirm the things we are seeing confirmed, some of the things that Dr. Schoomaker is talking about.

DISABILITY SERVICES

Senator COCHRAN. Admiral Robinson, do you have any comments you would like to share with the subcommittee on that subject?

Admiral ROBINSON. Sir, I think it has been covered very well. I just would make one comment. Usually General Schoomaker makes a note about the fact that the disability system that we use needs an overhaul since it is about 40 or 50 years old. And I think that actually General Green's committee and a lot of the input that we have given as SGs through the last 3 or 4 years—is getting us there. We are working hard on this.

Senator COCHRAN. Thank you very much.

Thanks, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, and the Surgeon Generals.

First of all, we in Maryland feel very close to military medicine. We are the home of Naval Bethesda, and in a short time, sir, will be the home to Walter Reed Naval Bethesda, and I hope this later this summer, perhaps the subcommittee could go out and take a tour of what is being done there. And I think we would be very proud of it.

We are proud of USU, which is the Military Medical School in Nursing and Public Health, and Battleship *Comfort*—or, I should say, not battleship. It fights other battles, but Hospital Ship *Comfort* and Fort Detrick. So, we feel very close to you.

In terms of our work here today, I am going to pick up on the Dole-Shalala report. And I would like, General, to talk to you because we went through a lot. And I want to just use that as kind of the grid to see progress made and where we are heading, okay?

So, in Dole-Shalala, first of all, remember what happened—the terrible national scandal at Walter Reed. Secretary Gates immediately responded. There was a change in personnel and I think a real commitment to upgrade. And then, our own colleague, Senator Dole, and Secretary Shalala issued this great report.

Now, I am going to focus on issues related to preventing and treating post-traumatic stress disorder and brain injury, strengthening support for the families, and their recommendations to transfer the work with VA–DOD, and the workforce issues at Walter Reed.

The workforce issues, though, I think go well beyond acute care medicine, and I will be raising that with our nurses in a short time.

But, General, let us go to what Dole-Shalala recommended, and I know you might not have the report before you. But it said that we should aggressively treat post-traumatic stress and traumatic brain injury, and yet now we are seeing in that—so, could you tell me where we are in the progress made, how you see it improving, and then tell me why we have such increased rates of suicides and such increased rates of addictions to the very drugs that are supposed to treat post-traumatic stress?

General SCHOOMAKER. Well, ma'am, a complex question with several parts.

I think the last—

Senator MIKULSKI. But it goes to the heart of kind of where we are in this.

General SCHOOMAKER. Yes, ma'am. I do not deny that.

Let me try to address, first, suicides. I think the suicide question is—remains a challenge and is perplexing for all of the services. The Army saw a very disturbing doubling or more of the suicide rate from where it was 6 or 7 years ago in which it was age and employment adjusted and gender adjusted comparison to the public at large, kept by the Centers for Disease Control and Preventive medicine in Atlanta. We went from roughly one-half of a comparable population in the United States to being on par, if not exceeding that.

This is a problem that was tackled by the Vice Chief of Staff of the Army himself, stood up a task force, which has been in operation for almost 2 years now looking very carefully at all the factors. And as it recently—

Senator MIKULSKI. But what are we doing where we are?

General SCHOOMAKER. We have made this a commanders' and a leaders' issue and problem. The factors that go into reducing risks and identifying soldiers and families at risk, and the many factors that lead to our soldiers turning to suicide in desperation—as we have said, a permanent solution to temporary problems that they may suffer—

Senator MIKULSKI. But do you feel that you are on track to cracking this?

General SCHOOMAKER. I think we are making progress, ma'am. We are beginning to see—let me give you a—

Senator MIKULSKI. And this is not meant to be aggressive to you. We have been down this road now for over 4 years.

General SCHOOMAKER. Yes, ma'am, and it is—frankly, it has involved bringing in national leaders in this—the National Institutes for Mental Health for the \$50 million Stars Program.

But as a real quick example of this, we got a notice the other day from one of our posts that one of our warriors in transition—that is, one of the soldiers going through an injury and illness recovery—in interacting with the small unit leader, dropped clues that she was in distress, wanted a chronic pain problem solved permanently for her. And when she could not be reached, the NCO leadership reached out to her, actually drove to her home off post. When they could not get in the door or she would not respond, they called the police. The police broke down the door and found her hung in the home, but still alive, got her to the hospital in time. So, I think that is a small example of what we see as—

Senator MIKULSKI. Yes, but, General, that is indeed a poignant problem. And, I mean, that is a very poignant story. I have very limited time here.

General SCHOOMAKER. Yes.

Senator MIKULSKI. So, here are my questions. Let us go at this way. I love hearing stories. Remember me, I am the social worker at the table.

General SCHOOMAKER. Yes, ma'am, I know.

Senator MIKULSKI. So, and I am going to approach it as a social worker. Do you feel you have adequate mental health personnel? And do you feel that they are adequately trained in the warrior

culture? As you know, there is a great gap growing between civilian culture and military culture. Also, from what I understand from other data, that often in the first hour of the first treatment, the military facing this problem walks out and tells the counselor essentially to go to hell because they do not feel they get it, and they are so upset. So, my question is, let us go to adequacy of capacity and adequacy of training. And then we will go to new techniques and approaches, because obviously standard talk therapy and meds, as we know it, are not working. Can you—

General SCHOOMAKER. We are working very actively in finding evidence-based approaches to the treatment of post-traumatic stress disorder, which I think in the main is—can be treated successfully. And we are seeing that.

Suicide, I think, is far more complex. It is not a medical problem. I think this is one of the things that vice has said, it is a larger command problem. Frankly, one-half or more of people who commit suicide have never seen a mental health provider or been identified as having a problem.

We are working very hard—

Senator MIKULSKI. Do you have adequacy of mental health professionals?

General SCHOOMAKER. I think the Nation is facing a problem with mental health professionals—

Senator MIKULSKI. No, do you have it? I am not talking about the Nation.

General SCHOOMAKER. As a microcosm of the Nation, we have problems, especially as—

Senator MIKULSKI. Again, I am not being—I really—

General SCHOOMAKER. We have problems, ma'am.

Senator MIKULSKI. I so admire what you have done and the leadership you have provided. I want to be very clear about that. But do you see my level of frustration? They are calling my office because they need help accessing services, not knowing where to go. So—

General SCHOOMAKER. I think the two things that we face—

Senator MIKULSKI. And what about the tying in the warrior culture?

General SCHOOMAKER. The things that we face most—and, frankly, I think is a subordinate element of this warrior culture issue might be present in some cases, but not universally. Our people do a good job with that. We are working hard to prevent post-traumatic stress by rapid identification of concussion on the battlefield and reducing that. We have got a comprehensive behavioral health system of care now that ties every phase of soldier deployment to each other phase and passes information. That has resulted in remarkable reductions in stress problems.

And what we have residual problems with in the Reserve component who go home to communities where access to care is a problem for all care, but especially behavioral health, and in remote size within the Army where it is tough to compete for civilian employees of any kind. But in some of our places where we have camps, posts, and stations, in the desert in California, for example, it is hard to recruit and retain high-quality people.

Senator MIKULSKI. All right. So, here is what I would like in my limited time. I appreciate that and the challenges. But I would really like to hear, based on the Dole-Shalala recommendations, what, from your—and I mean the group—perspective—on what is the progress made. But the Army assumed primary responsibility for implementing Dole-Shalala. And then also on the adequacy of training.

The other question I have is, we have to—and, Mr. Chairman, with your indulgences—support for the families. You know, when a warrior bears this either permanent wound or permanent impact, it is the spouse or the mother or the family, and it is also the children who bear this often—well, there is a saying in both the civilian and military world, post-traumatic stress is contagious. In other words, if one person has it, the family has it. So, it is not like isolated like cardiovascular disease where you have got it. Maybe the spouse is helping with a better diet and lifestyle. Can you tell me—again, going to Dole-Shalala—where we are in the support for the family?

General SCHOOMAKER. Yes, ma'am. We are working very actively on programs to support families, especially children, but spouses as well. We are reaching out into communities, engaging schools, churches, other community members, to extend the reach of insulation-based services into the communities to highlight that these are families of the military that face great stresses in their lives and identify children who are at risk and spouses who are at risk.

Ma'am, in an earlier meeting several years ago, you challenged me, without any data at the time, to rank order three elements of deployment in terms of their impact on soldiers and families: the frequency of deployment, the length of a deployment—

Senator MIKULSKI. Right.

General SCHOOMAKER [continuing]. The time between deployments we call dwell. And what I told you was we suspect that probably of the three, the most important is the dwell between deployments, and then after that, the length of the deployment, and then the frequency of deployment. We have special operations units that have deployed and individuals that have deployed a dozen times or more. But they are shorter deployments and they have adequate dwell between.

One thing we cannot—we now have good science to document, through surveys on the battlefield and from returning soldiers, that not allowing a soldier and a family to have a minimum of 24 months of dwell between deployments does not allow them to restore their psychological state.

Senator MIKULSKI. That is a good point.

General SCHOOMAKER. And one of the things that I think we need real support from the Congress in is to not—is to allow us to resume a, we call boots on the ground to dwell rate of one to two; that is, 2 years back home for every year that you are in combat. That, I think, will make a significant—have a significant impact on the mental state and the psychological state of both families and soldiers.

Senator MIKULSKI. Well, General Schoomaker, thank you.

Mr. Chairman, you have been indulgent. I could talk all day with this panel. Perhaps you and I could meet and talk over this in more detail, and then take some ideas to the chairman.

Thank you very much.

Chairman INOUE. Thank you.

Senator MIKULSKI. But, you know, this deployment is a big issue. If we are going to cut the military, then we got to cut—like, we are going to shrink the Marine Corps, you know, the old budget? But if we are going to shrink the Marine Corps, then we should shrink what we ask the Marine Corps to do. And that would go for every military service, so I think we have got to keep this in mind.

Chairman INOUE. It is a major challenge to all of us here.

Senator MIKULSKI. For every year you are deployed, you need 2 years at home to stay connected to your family to deal with exactly some of these really horrific situations you and I have just discussed.

General SCHOOMAKER. Yes, ma'am. And the Army, in 10 years of war, has never been able to achieve a 2-year dwell. In fact, on average it has been at 1.3 years—

Senator MIKULSKI. Well—

General SCHOOMAKER [continuing]. Of dwell for every year of deployment.

Senator MIKULSKI. Thank you.

Chairman INOUE. Thank you very much.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

And I want to recognize the comments of my colleague from Maryland, talking about not only the impact to the individual, to the soldier, to those that are actively serving, but to the health and well-being of the families that are at home and supporting them. So I appreciate, General, your comments and recognition that it is the health of the whole family, not just the soldier, that we need to address here. It is a considerable challenge, but I think when we think about our effectiveness, our ability to recruit, our preparedness, it all has to come together. And I appreciate the discussion here this morning.

Gentlemen, welcome, and thank you all for your service, greatly appreciate it in so many ways.

General Green, it was a pleasure to have the opportunity to meet with you when you were in Alaska to attend the retirement ceremony for a friend of ours, Colonel Powell. At that time, we discussed the efforts to bring Fisher House to Alaska, and that is now a reality. We greatly appreciate that—your efforts and then your support for what Colonel Powell was trying to do, which was to focus on the hometown healing, has been remarkably successful. So we have got some good news to report up north.

My question today, and this is for you, General Green, is regarding the Elmendorf Hospital facility. As you know, it is a joint venture facility with the Air Force and the VA. And recognizing that it truly is joint venture in the sense that we have got the other services involved—Air Force, Army, and also serving our Coast Guard families. So, it clearly is a benefit to the region.

What I want to ask you today is whether or not the Air Force and the VA are in alignment when it comes to meeting the staffing needs there at Elmendorf Hospital.

We have got a situation where within the VA, far too many of our veterans are being sent outside—being sent to Seattle and parts outside the State simply because the services cannot be obtained there, or because the VA says we are going to do it outside, even when the services are available. I had an opportunity to discuss this with Secretary Shinseki at an Approps meeting last week, and he has pledged to me we are going to work to do better in purchasing care for our veterans there.

But what I am trying to determine is whether or not within this joint venture hospital we are truly able to meet the needs, given the strains that we have on capacity within the community, given the issues that we have in meeting the needs for certain specialties. And what I am looking for this morning is an assurance that we can be working to ensure that the joint venture hospital has what it needs—the people—to serve both the active military populations as well as our veteran population.

ELMENDORF HOSPITAL—A JOINT VENTURE FACILITY

General GREEN. Yes, ma'am. Thank you, and I appreciate our luncheon with Eli Powell, too, who is a good friend of mine.

Senator MURKOWSKI. Yeah.

General GREEN. In answer to your question, I think that you will kind of get a sense of the commitment we have to this venture.

The joint venture with the VA at Elmendorf is one of six that the Air Force is now doing with the VA. We have now invested about \$7 million in JIF funds just at Elmendorf. We have about \$100 million in all of our joint ventures across the world where we are partnered with the VA. My commitment up there has been to basically increase the manpower by about just under 200 positions to try and augment the staffing at Elmendorf to pick up on some of the workload, strongly encouraging further joint ventures with the Indian Health Service, which, as you know, is one of the larger hospitals in the Federal system there. And we have had people working in the Indian health hospital as well as we try to—they are a level 2 trauma hospital now—as we try to maintain skills.

We have also increased the budget up at Elmendorf by about \$4 million annually in addition to just adding manpower, and we have seen an output from that of nearly 40 percent increase in surgeries that can be now in Alaska instead of people being sent elsewhere.

My commitment to the joint venture is very solid. I would love to see Elmendorf thrive. We have talked about whether or not we can bring graduate medical education up there. I have worked with some of your community physicians as they look to bring a pediatric residency to see if we can join them in that effort. And we have also talked with the family practice residency up there to see how we can basically partner.

Some of this has to do with how the hospital grows and how long it takes for construction in your State sometimes. The new VA clinic up there has been very successful, and my hope is we can do even more. And my hope is we can do even more. So, you have my

commitment, and I won't speak for the VA, but when I talk with them, they are very committed also to expanding services.

Senator MURKOWSKI. Well, what we would like to do is to be able to identify those areas or perhaps those gaps within the VA system, whether it is in orthopedics, ENT, neurology, wherever that is, and see if in fact there is a—there is the ability within the Air Force to kind of reach in and fill those gaps as we look to how we staff and truly meet the needs of, again, our Active service men and women and our veterans up there. But I appreciate your commitment, and I look forward to working with you on that.

General GREEN. Yes, ma'am. We send you very talented people that I—

Senator MURKOWSKI. Yes, you do.

General GREEN [continuing]. Expect to help me grow that particular area.

Senator MURKOWSKI. We appreciate that as well.

General Schoomaker, this is probably for you as the Army is the one that administers the congressionally directed Medical Research Program. And my question to you this morning is about the research program as it pertains to ALS, or Lou Gehrig's disease, a horrible disease for all—those of us that know of it, but a concern for us in the military as we look to the exceptionally high incidence—incident rate of those who contract ALS, who are our military heroes. It strikes those in the military at approximately twice the rate as the general public.

Back in 2008, ALS, as I understand, was determined to be a presumptive disability by the VA, a service-related disease. And again, those of us who have been in a situation where we know someone with ALS know that this is a condition that moves quickly—5- to 6-year life expectancy from diagnosis, and a terribly, terribly horrific and debilitating disease that cost incredible amounts of money as we provide for that level of care and that level of treatment.

And so, when we look to the statistics, it causes one to wonder, well, what will the impact to our military systems be as we pick up the costs for those that are afflicted with ALS? We are all very cognizant that we are in times of greatly reduced budgets, and some would look at these programs—these congressionally directed medical research programs—as being something that are perhaps nice, but not necessary. So, I would like to hear from you this morning kind of where you are coming from on these congressionally directed medical research programs, more specifically, ALS, whether you think that it is something that should be continued to be funded in terms of the research, and whether or not you think that that research is making a difference in the lives of our service members who have been afflicted.

General SCHOOMAKER. Yes, ma'am. Thanks for that question. And I think you have made exactly the case I would make for these programs.

Congress has been remarkably enlightened and forthcoming with funds for congressionally directed research dollars and for programs which are, as you point out, ma'am, administered through the Medical Research and Materiel Command at Fort Detrick under the congressionally directed medical research program and other congressional special interest programs.

They currently—we have got a very effective, I think, and efficient process by which research dollars and programs are targeted for our review for both scientific credibility and for programmatic integrity; that is, that they will be successfully executed. We have a very good program of soliciting the best investigators from across the country, both inside and outside the military, but largely outside the military, to conduct this. And the programs that they—that are addressed in these include amyotrophic lateral sclerosis that you have talked about, ALS, but also prostate cancer, breast cancer, and a variety of other problems that afflict not only the population at large, but military members and families as soldiers, sailors, airmen, and marines.

We try to make these as appropriate as possible to the military population, but we admit that a lot of these breakthroughs have overflow or application to other neurologic problems. I mean, insights into ALS will give us insights into other problems from an injury or illnesses that afflict soldiers.

Currently, the limit on earmarks is going to threaten about 50 percent of the total research that is done within the Medical Research and Materiel Command.

Senator MURKOWSKI. What do you think that will do to the status of research?

General SCHOOMAKER. Well, I mean, it is going to take down my structure. It is very hard to rebuild the structure that is the people and the programs that administer these programs for the military. You cannot snap your fingers and rebuild them, and so we are going to have to take those down over the next few months and have already started that process.

I am very eager to see the Congress come up with a solution that allows us to keep some of the critical programs because they have been very innovative and been very successful in delivering, you know, insights into new products to improve the lives of people who are suffering from these problems.

Senator MURKOWSKI. Well, it is difficult to hear that we would go backward on our research—go backward on the progress that we have made. And I hate to try to put a dollar on, you know, what it costs to deal with somebody that is afflicted, again, with a disease where, again, you are looking at incidence rates within our military that are twice the number within the general population out there. You would hate to think that somebody would hesitate to join up and become a member of our military because they are concerned that somehow or other they may be afflicted with a disease that they really want to steer clear of.

I recognize that these are difficult budget times, but I also recognize that the advancements that we have made, the investments that we have made in our research and technology, are not something that we want to dial back on. So, I would hope that we could work with you as we try to make more forward progress in this area.

Mr. Chairman, I have yet another question, but I have taken plenty of time this morning. But I will defer to Senator Leahy.

Chairman INOUE. Thank you very much.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

I have found the questions here and answers interesting. You have a panel of three very, very well qualified people to answer them, and I appreciate that.

General Schoomaker, recently 42 Members of Congress joined me in sending a letter to the Army and the Guard Bureau asking them to fund eight States' National Guard outreach programs. The programs are going to expire soon. Now, in full disclosure, one of them is in my own State of Vermont.

But I think when we have heard the questions, especially those of the last two Senators, I would add to their points by saying these programs fill a serious gap in the Guard behavioral health. These programs are kind of like the MRAP, although it was an entirely different thing, but the program seemed like an idea where the Army and the Congress can work together to do the right thing. We did, getting the troops that equipment. Now we are talking about our soldiers and how we take care of them.

You have made great strides, and I listened to what you and Senator Mikulski were saying about suicide prevention in recent years. But last year's doubling of Army Guard suicides shows that the Army falls short when it comes to the needs of the Army Guard and Reserve. They do not have a base. They are not going back to a port or a base where you can have the services within a limited geographical area. A State like Vermont, which has no active duty installations, the Guard uses its outreach programs to reach out to personnel where they live in home towns across the State. That may be a town like the one I live in with 1,500 people; it may be in one with 100 people, or it may be a community like Burlington that has a larger population. And our own adjutant general, Mike Dubie, whom I believe you know, told me that there had been many potential suicides that had been averted by this outreach program.

Now, the funds needed to preserve these programs are less than \$10 million for the remainder of the fiscal year. Are these programs going to be funded for this year and for the future?

General SCHOOMAKER. Well, sir, first of all, I want to thank you for the advocacy you showed for the 86th Infantry Brigade Combat Team that did deploy and then redeployed through Fort Drum, and I think illustrated the progress we have made in trying to bring back, redeploy, and then demobilize our Guard and Reserve.

What you have highlighted, and other members of the subcommittee have highlighted, are the problems that are inherent within the operationalization of the Reserves. The—our Guard and Reserve, which was within the Army, conceived of in past times as a strategic reserve ready to get launched one time for a major Nation-threatening, you know, war or conflict has now been, for the last 10 years, integrated fully into the deployment of the Army through an operational Reserve. And in doing that, what we have identified are shortcomings and challenges in providing care for National Guard and Reserve soldiers and families when they get back to their communities.

Senator LEAHY. And providing that care is a little bit different than going back to a base, going back to—

General SCHOOMAKER. Sure. No question.

Senator LEAHY [continuing]. Fort Hood or somewhere else.

General SCHOOMAKER. And the rules that govern access to that care are quite different. I mean, while the soldier is on Active duty, if the soldier incurs an injury or an ailment as a consequence of that deployment or that training to go to deployment, there is no question we have ready access to military units and military healthcare, and our TRICARE network, for that matter. But it does become a challenge when soldiers are redeployed and demobilized and then sent back home where they may face environments. And you are not alone in Vermont in facing this problem.

I am working very closely with the Guard and Reserve. I think one of the major efforts that Major General Rich Stone, who is a mobilized reservist in the South out of Michigan, and a physician in practice, but has left his practice to work with us and orchestrate a program to look at how we can better support the Guard and Reserve. We have been looking for the last couple of years at exactly how we can better care for and reach out to the Guard and Reserve through TRICARE and our other efforts. So, we are looking at the programs that are threatened by the loss of funding, sir.

Senator LEAHY. Well, please look carefully and work with my office. We have had, you know, a redeployment. We talked about the Warrior Transition Program. And I know that there is a pilot program established at Fort Drum which still has some issues to work out. It is far superior than what the 86th Brigade had before, though. And I just would like to see these things around the country because when you have been in Iraq and you have been in Afghanistan, as I have, and you see these people out in the field, you cannot look at the soldiers going in and say, well, that one is a Guard member and—you cannot tell, nor are their duties any different.

And I have one other question, and actually I pass this on to all of you, General, to you, and Admiral Robinson, and General Green. I have long supported improvements in military medical care through information technology and increased use of it. I have supported a military medical decisionmaking tool called CHART. The Office of the Secretary of Defense plans to mandate it for use by the services in pre- and post-deployment healthcare screening. A recent study by an Army doctor in the American Journal of Psychiatry linked deployment screenings to improved mental health outcomes. Are your services going to be using CHART and interface with your readiness systems?

Admiral ROBINSON, would you like to—

Admiral ROBINSON. Sir, I—

Senator LEAHY [continuing]. Take a swing at that one?

Admiral ROBINSON. I will take a swing at it. I am not familiar with CHART, so I do not know whether we will be using it or not. But I can certainly take this for the record and get back to you.

Senator LEAHY. Would you please?

Admiral ROBINSON. I certainly will do that.

Senator LEAHY. Thank you.

[The information follows:]

An electronic tool to integrate multiple health assessment questionnaires and display results in the DOD electronic health record system would be beneficial. In its current form, CHART has multiple shortcomings, and requires major enhancement before it can be considered as an acceptable solution for the Services.

Each of the Services currently possesses operational readiness information systems with an integrated health assessment questionnaire capability. These systems manage each Service's unique readiness requirements and operate in their unique fielding environments. CHART as a health assessment questionnaire tool would duplicate and fragment our ability to assess and monitor readiness of Soldiers, Airmen, Sailors, and Marines. For these reasons, CHART is currently ranked very low in the overall funding priority.

General SCHOOMAKER. Sir, and for the Army, I am not familiar with that as well, but I will—this is a good point for me to make a pitch for this behavioral health system of care that Major General Horoho is taking personal leadership in. It allows us to look at programs like CHART, or any other program, in an objective way and do a head-to-head comparison with our existing systems, and see if it delivers a better outcome. So, I think—

Senator LEAHY. I mean, we all want the same thing. We want the best outcome. And I am just pushing to make sure we have it.

And, General Green? And certainly all three of you please do give me something for the record on this.

General Green.

ELECTRONIC HEALTH RECORDS

General GREEN. Yes, sir. And I will take the question for record on the CHART, specific question.

I would add that we now have almost 5 years of data from our electronic health record. And so, leveraging the data that is in AHLTA and basically linking that with the pharmacy transaction databases as well as the M-2, we are now leveraging informatics to try and get to new levels of decision support that will really change medicine over time. I strongly believe that if we can get better information to the patient so that they make sound decisions, that we can then also get them to the healthcare team which can augment and give them even further information, we will see tremendous change in medicine because we will be able to pinpoint prevention back to the—what is necessary for patient care.

Senator LEAHY. Well, take a look at this one and take a look at any of the DOD directives on it, because there has to be follow-up to make it work, and that is what I am most concerned about. I worry very, very much that some of these brave men and women we have deployed fall off the screen because they are not treated properly. I do not pretend to be knowledgeable on this, but I know when my wife was working as a registered nurse, she saw a lot of these people that should have been helped—that was a different time—should have been helped, could have been helped. And I go to some places where the care is superb, and the person might have committed suicide somewhere else, or might have dropped off the screen somewhere else, or had debilitating illness that could have been corrected and was not. We ask them to put their lives on the line, then—I mean, you know that, and you believe as I do. I think we owe them something when they come back. So, let us see what this is going, let us see what the directives are, and let us see what the implementation might be.

Thank you.

Mr. Chairman, thank you for this hearing.

Chairman INOUE. All right. Thank you very much.

And, General Schoomaker, Admiral Robinson, General Green, I thank you very much on behalf of the subcommittee. And I wish you well also.

And now we will have the second panel: Major General Patricia Horoho, Chief, Army Nurse Corps, Rear Admiral Elizabeth S. Niemyer, Director of the Navy Nurse Corps, Major General Kimberly Siniscalchi, Assistant Air Force Surgeon General for Nursing Services.

STATEMENT OF MAJOR GENERAL PATRICIA HOROHO, CHIEF, ARMY NURSE CORPS, DEPARTMENT OF THE ARMY

General HOROHO. Good morning, sir.

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, it is an honor to speak before you today on behalf of the nearly 40,000 officer, civilian, and enlisted team members that represent Army nursing. Your continued support has enabled Army nursing in support of Army medicine to provide exceptional care to those who bravely defend and protect our Nation.

It is a privilege to share with you today what is happening across Army nursing.

Our strategic priority, the Patient CareTouch System, was implemented in February of this year at three medical treatment facilities, Madigan, Brooke, and Womack Army Medical Centers, and then this month we began the roll out of the remaining facilities. Army-wide implementation of Patient CareTouch will be complete by December 2011. This system is fully embraced by all medical leaders and is successfully being implemented across Army medicine.

The Patient CareTouch System is comprised of five elements, which we truly believe guide, gauge, and ground patient-centered care delivery. The elements are patient advocacy, enhanced care team communication, clinical capability building, evidence-based practices, and healthy work environments. There are 10 supporting components that enhance these elements.

A key element of the Patient CareTouch System is evidence-based practice, and nursing researchers, embedded in newly formed centers for nursing science and clinical inquiry, translating research into practice to optimize the quality of care provided to our patients.

Army nursing is continuing to answer the call of the combatant commander for critical care nurses who are prepared and dedicated to care delivery in the back of medical evacuation helicopters.

In December 2007, nurses assigned to the Medical Task Force in Iraq leveraged the capabilities of our critical care and emergency nurses. We created and then codified a premier en route care transport program that ensured our wounded, ill, and injured receive the right care at the right time by the right provider. Since last year, we have performed nearly 450 en route care transport missions. This capability directly impacted the 98 percent survival rate for wounded service members in Iraq, and is now the standard across all theaters of operation.

The demand for increased numbers of trauma nurses in both theaters of operation prompted me to make a decision this year to es-

establish a separate area of concentration for trauma nurses. This required a consolidation of critical care and emergency nursing specialties from which this new specialty, the 66th Tango, was established. This consolidation will provide unparalleled level of trauma nursing capability for military medicine, and it will be the force multiplier in both our fixed and deployed hospitals.

I would like to provide you with an update of several programs that I introduced to you last year.

The Brigadier General Retired Anna May Hayes Clinical Nurse Transition Program continues to prepare our novice nurses to provide patient-centered care. Since 2009, over 520 novice nurses have completed this program, achieving a higher advanced beginner competency. This program continues to exceed the national standard.

Since the inception of the Virtual Leader Academy, we have graduated over 500 officers, non-commissioned officers, and civilians from our courses. This Academy focuses on capability and facilitates lifelong learning.

Army nursing is committed to the education of its advanced practice nurses. To that end, Uniformed Services University has once again proven to be the stalwart partner of Army nursing, as well as to our sister services to ensure the development of the curriculum to tackle the requirements for transition from Masters to DMP Program by 2015.

An area that we have focused our effort pertains to behavioral health. We have refined the clinical capability for the Advanced Practice Army Behavioral Health Nurse Practitioners, a key member of the behavioral health team. We have leveraged their capability toward building resiliency in our deployed service members and their families.

Over the past year, 424 Army nurses deployed with two medical brigades and four combat support hospitals in support of Operation New Dawn and Operation Enduring Freedom. We had the extreme honor of celebrating the successful command tour of two combat support hospital nurse commanders. These nurses were integral in leading healthcare delivery and facilitating medical diplomacy across Iraq.

Army nurses are writing our history with each patient they touch, with each experience they have, and each story that they tell.

On February 2, we celebrated 110 years of proud service to our Nation. We thank you, Mr. Chairman, and Senator Murkowski for introducing Senate Resolution 31 to commemorate this historic occasion.

Mr. Chairman, we also thank you for the very touching, heartfelt video message for the many years of unwavering support of Army and Army nursing.

I continue to envision an Army Nurse Corps of the future that we leave its mark on military nursing and will be a leader of nursing practice reform at the national level. We are committed to leveraging lessons learned from the past, engaging present innovation, and shaping the future of professional nursing. Our priority remains our patients and their families, and our common purpose is to support and maintain a system for health. In order to achieve

this common purpose, we serve with the courage to care, the courage to connect, and the courage to change, so that we may provide the best possible healthcare to those that wear the cloth of our Nation.

PREPARED STATEMENT

On behalf of the entire Army Nurse Corps, serving both home and abroad, I would like to thank each of you for your service to our Nation and your unwavering support.

Thank you.

Chairman INOUE. General Horoho, thank you very much for your testimony. We appreciate it very much.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL PATRICIA D. HOROHO

Chairman Inouye, Vice Chairman Cochran and distinguished members of the committee, it is an honor and a great privilege to speak before you today on behalf of the nearly 40,000 Active component, Reserve component and National Guard officers, non-commissioned officers, enlisted and civilians that represent Army Nursing. It has been your continued tremendous support that has enabled Army Nursing, in support of Army Medicine, to provide exceptional care to those who bravely defend and protect our Nation.

PATIENT CARETOUCH SYSTEM

I am pleased to provide you with an update on Army Nursing and to share with you my strategic priority, the Patient CareTouch System. The Patient CareTouch System implementation began on February 7, 2011 at three medical treatment facilities: Madigan Army Medical Center, Brooke Army Medical Center, and Womack Army Medical Center. Seven facilities will begin their roll out this month: Walter Reed Army Medical Center, DeWitt Army Community Hospital, Tripler Army Medical Center, Landstuhl Regional Medical Center, William Beaumont Army Medical Center, Carl Darnall Army Medical Center, and Blanchfield Army Community Hospital. The remaining facilities will join the process in three implementation phases beginning in mid-May. Army-wide implementation at every patient touch point will be completed by December 2011. The Patient CareTouch System spans all care environments where nurses touch patients by ensuring quality care is delivered carefully, compassionately and in accordance with standards for best practice. The Patient CareTouch System is comprised of five elements, which we believe guide, gauge, and ground patient centered care. These elements include: Patient Advocacy, Enhanced Care Team Communication, Clinical Capability Building, Evidence-Based Practices, and Healthy Work Environments. The elements are supported by 10 components that include core values for patient care, care teams, peer feedback, standardized documentation, skill building, talent management, clinical leader development, optimized clinical performance, Centers for Nursing Science and Clinical Inquiry (CNSCI), and shared accountability for quality of patient care delivery.

The Patient CareTouch System provides a sustainable framework for our transition from a healthcare system to a system for health. It cultivates trust by providing a standard by which care can be measured across Army Medicine, and it allows us to look critically at what we do, how we do it, and how we can improve. The Patient CareTouch System ensures that our patients know that we have their best interest at the forefront of all care decisions and it promotes standards, not standardization, for nursing care Army-wide. We found, when we piloted the Patient CareTouch System at Fort Campbell, Kentucky, that we had a positive impact on patient outcomes, patient satisfaction, clinical communication, provider-nursing staff collaboration, and provider satisfaction. We believe these results will be reproducible across Army Medicine and we are using evidence based metrics to benchmark nurse sensitive indicators against national standards. This will validate our firm belief that our patients are receiving world class, high quality nursing care.

OPTIMIZING PATIENT CARE DELIVERY

Evidence based practice is a key element in the Patient CareTouch System and nursing researchers, embedded within newly formed CNSCIs are translating research into practice to optimize the quality of care provided to our patients. The

CNSCIs are promoting enhanced nursing decision support, evidence-based practice and research. Nurse scientists, Clinical Nurse Specialists, and Nurse Methods Analysts comprise the CNSCI. These experts working together are affecting the transition from a "question-to-answer model" to the more valuable "question-to-translation-to-evaluation model." Consolidating nursing support assets who are working on a common sense research priority agenda increases the capacity for evidence-based management and evidence-based practice Army Nursing wide.

Research and evidence-based practice are overarching and core constructs in the Army Nursing Campaign Plan. Army Nursing is transforming from an expert-based practice model to a systems-based care model in order to leverage nursing assets and realize the benefits of knowledge management and research translation. This is critical to improve patient outcomes, safety, healthcare value, and quality. Tenets of a systems-based care model includes system resourcing, healthcare economics, teamwork, cost-benefit considerations, and practice management. Key to success is uniting various types of nursing support experts to better meet the needs of bedside nurses and the nurse leaders who provide and direct the delivery of patient care.

Army Nurse scientists are collaborating in joint, multinational and academic settings to infuse nursing practice with evidence based science. The premier Army Nursing Practice Council (ANPC), established in the fall 2010, is providing the critical connection between nursing science and nursing practice. The ANPC meets monthly to review evidence, data, and science to develop evidence-based nursing tactics, techniques and procedures (TTP) that then become the standards across Army Medicine. Recently published standards include an innovative falls prevention program, structured nursing hourly rounding, and bedside shift reporting. TriService Nurse Research Program (TSNRP) funded studies support several evidence-based nursing TTPs. For example, in the Emergency Room at Bayne Jones Army Community Hospital, Fort Polk, Louisiana, white boards in the patient rooms facilitate real time status updates on medications, procedures, and tests completed to enhance communication between emergency room staff and the patient and family members.

The TSNRP funded an evidence-based practice project titled: "Evaluating Evidence-Based Interventions to Prevent Falls and Pressure Ulcers." This study was the basis for revising clinical practice guidelines for prevention of falls and skin breakdown within the Madigan Army Medical Center. It was also the means by which their CNSCI team introduced patient-centered rounds and monitoring of nurse-sensitive outcomes such as nurse satisfaction, patient satisfaction, and rates of falls and pressure ulcers.

WARRIOR CARE

Enroute care transport is not a new mission for Army Nursing; we have been providing this type of care for over 60 years. In 1943 the first Army nurses formally trained in air evacuation procedures were assigned to secret missions in North Africa, New Guinea, and India. Army nurses cared for patients on helicopter ambulances, transporting over 17,700 U.S. casualties of the Korean War. During the Vietnam war, Army Nurses were aboard helicopters moving almost 900,000 United States and allied sick and wounded Soldiers.

Army Nursing is continuing to answer the call of the combatant commander for critical care nurses who are prepared and dedicated to care delivery in the back of a medical evacuation helicopter. In December 2007, nurses assigned to the medical task force in Iraq leveraged the capabilities of our critical care and emergency nurses and created, then codified, a premier enroute care transport program that ensured our wounded, ill and injured service members received the right care, at the right time, by the right provider. This program directly impacted and sustained the 98 percent survival rate for wounded service members in Iraq.

The Army Nursing Enroute Care Transport Program was so successful in Iraq in decreasing the incidence of hypothermia, accidental endotracheal tube extubation, and prevention of hypovolemic shock in our Wounded Warriors that the program is currently in place in Afghanistan. Army nurses continue to refine and improve the program, maintaining a focus on nursing TTPs for critical care patients transports. I am so proud of our Army nurses who, at the beginning of the war in Iraq, saw a gap in rotor wing critical care patient transport and identified processes to fill the gap. As a result, our enroute care transport program is unparalleled in terms of the quality of nursing care that our combat veteran critical care nurses provide to Wounded Warriors. The quality of care during the strategic evacuation care continuum does not end in the theater of operation. Landstuhl Regional Medical Center's (LRMC) unique TriService Air Evacuation mission processes all casualties through the Deployed Warrior Medical Management Center. The nursing care provided to wounded, ill and injured Warriors and coalition armed forces air evacuated

from Operation Iraqi Freedom, Operation Enduring Freedom, Operation New Dawn and other Overseas Contingency Operations to LPMC significantly contributed to LPMC being awarded the Association of Military Surgeons of the United States (AMSUS) 2010 Facility-based Healthcare (Hospital) Top Federal Hospital for fiscal year 2010. Continuing their high operational tempo, the LPMC's triservice nursing team cared for 11,185 casualties (4,284 inpatient casualties and 6,901 outpatients) in fiscal year 2010.

Nursing staff augmented the Contingency Aeromedical Staging Facility on Ramstein Air Base, enabling continuous casualty flow from LPMC to CONUS medical centers. Receiving casualties from over 500 Air Evacuation flights, LPMC nurses have significantly supported the aeromedical evacuation process. On any given day at LPMC, nursing staff on the medical-surgical units will discharge 10 inpatients and admit 11 new patients, illustrative of the high operational tempo that is commonplace at LPMC.

Nurse researchers like Lieutenant Colonel Betty Garner, are augmenting warrior care efforts by conducting studies designed to produce evidence for new nursing care modalities. Lieutenant Colonel Garner and her team are determining the impact nursing care has on injured Soldiers and their families after a traumatic brain injury (TBI). Understanding the needs of the Wounded Warrior and their families are imperative to improve the quality of life among those affected by TBI.

These examples of Army Nursing's clinical initiatives illustrate an amazing flexibility and agility to ensure that we are responsive to the needs of our wounded, ill, and injured service members. I would like to provide you with an update of several programs that I introduced to you last year, and are key enablers of Army Nursing's strategic initiatives.

CAPABILITY BUILDING

Talent Management

Inherent in clinical capability building is leadership, and in order to best leverage the capabilities of our nursing team, we examined the methods by which we identified, managed, and developed clinical leader talent. The Army Nurse Corps' (ANC) talent management strategy is a mission critical process that ensures the Corps has the right quantity and quality of leaders in place to meet the current and future Army Medical Department missions and priorities. Our strategy covers all aspects of the ANC life cycle, to include aligning the Corps strategic goals with capability requirements and distributing the right talent for the right position at the right time and rank.

We partnered with U.S. Army Accessions Command and implemented precision recruiting to ensure we are recruiting the right capability in order to develop clinical leader talent. In spring 2010, for the first time, our Human Resources Command, Army Nurse Corps Branch executed a formalized capability-based assignment process, placing senior officers in key positions based on their skills, knowledge, and behaviors instead of on availability. In addition, we defined and established a sustained succession plan for key leadership positions in the ANC. Our talent management strategy enables us to assign full spectrum leaders across all care environments in support of the Army Medicine mission.

Leader Academy

Since the inception of our virtual Leader Academy, we have graduated over 500 officers, non-commissioned officers and civilians from our courses. Over the past year we analyzed ways to optimize the Leader Academy to ensure agility in meeting evolving requirements. We have sequenced learning and redesigned a "building block" curriculum to facilitate lifelong learning at all professional development phases. The five core elements of the Patient CareTouch System serve as the foundational framework for the Leader Academy and the key components are threaded throughout the curriculum of all courses offered.

The BG(R) Anna Mae Hays Clinical Nurse Transition Program (CNTP) continues to prepare our novices with good results. Preliminary program evaluation results presented at the 2010 Phyllis J. Verhonick Nursing Research conference indicate that of the four cohorts evaluated, all participants achieved advanced beginner competency at the end of the program. In order to stabilize the program, all director positions are now being filled by competitively selected non-rotating civilians, two of which are Doctoral prepared and the remaining are Master's prepared. A review of current studies revealed that standardized preceptorship programs (preceptor training and tracking) increases nurse transition from academia to practice. As a result of this evidence, the CNTP directors adopted a Preceptor Development Program and established guidelines now being implemented at all transition sites. The

Patient CareTouch System provides a framework for the program and the evidence and science inform the standards by which nurses deliver care across the age spectrum. Patient responses have been favorable, specifically complimenting nurse transition program participants in hospital satisfaction surveys. As we interview new lieutenants in the program, we have found that many, who were planning to leave at the end of their initial service commitment, are instead continuing their careers in the ANC as a result of the enculturation process that is inherent in the CNTP. Retaining new graduate nurses preserves the knowledge, experience and confidence gained during the first year of professional practice and has a positive impact on the quality of patient care.

There has been an array of secondary benefits resulting from the creativity of the nurses participating in the CNTP. At Madigan Army Medical Center, novice nurses developed and implemented a program to track chart audits and produced a training video on "Preventing Patient Falls." At Womack Army Medical Center, novice nurses presented an abstract entitled "Response to Enhance the Quality and Consistency of Shift Reports" at the Karen A. Reider Federal Nursing Research poster session during the AMSUS conference.

PORTFOLIO OF EXPERTISE

We are constantly refining our clinical capabilities to meet the ever-changing complexity of providing care in challenging care environments. As a result of increasing demands for trauma nurses and the complexity of care required in both theaters of operation we made the decision to establish a separate area of concentration consolidating intensive care unit (ICU) and emergency nursing with the educational and clinical focus on combat trauma care. This new area of concentration will provide us a flexible and agile economy of force, while providing an economy of effort for training.

We are re-shaping our ICU and emergency nursing courses into one curriculum focused on acquisition of trauma nursing and critical care competencies. The Army trauma nurse area of concentration will result in assignment flexibility in both our hospitals and deployed combat support hospitals (CSH) and provide an unprecedented level of trauma nursing capability for military medicine. We are also analyzing ways to leverage potent Army medicine force multipliers such as our psychiatric nurse practitioners and psychiatric nurses.

This year, in response to increasing requirements for trauma trained nurse, we expanded our emergency nursing course by adding a second training site at Madigan Army Medical Center and graduated our first class at this location in December 2010. This additional program doubles the number of emergency nurses trained annually and enhances our ability to provide world class care at home and abroad.

Through the efforts of our Perioperative Nurse Consultant, in collaboration with the national perioperative nursing organization, we have added additional sterilization procedures to the curriculum for both our Perioperative Nurse and Operating Room Technician programs. This proactive initiative addresses a national health concern regarding potential infectious disease transmission resulting from improper sterilization processing of surgical scopes. Currently, we are developing a pilot program for the utilization of graduate prepared Perioperative Clinical Nurse Specialists as Perioperative Nurse Case Managers responsible for the coordination of clinical care across the perioperative continuum from preoperative preparation to post-anesthesia care. We are closely examining operating room processes, with a focus on the perioperative nurse.

The operating room can be one of the busiest touch points in a facility, and as a result an area that we want to ensure quality and safe care delivery. We believe that a critical examination of an expanded role of the perioperative clinical nurse specialist is needed. This role will concentrate on quality assurance with a focus on patient safety and perioperative arena efficiency to include the operating room and the centralized sterile processing department. This role is unique in that it cannot be replaced by a non-perioperative advanced practice nurse.

Last year I discussed our initiative related to critical care skills for our enlisted licensed practical nurses (LPN). In October, we conducted our first pre-deployment critical care course for enlisted practical nurses from one of our deploying CSH. The Soldiers received didactic instruction and clinical rotations in critical care and burn care at Brooke Army Medical Center and the Institute of Surgical Research. Three enlisted practical nurses from the deploying 115th CSH attended a "critical care skills during deployment" pilot. On average, students demonstrated a 42 percent increase in self-reported skills related to chest tube drainage system set up, cardiac strip interpretations, and patient report/handoff. With the success of this pilot, we are currently developing a pre-deployment LPN course that will prepare deploying

LPN's for the complex trauma missions they will support. Every Army Nurse is a trauma nurse.

During calendar year 2010, Army nurses deployed with two Medical Brigades and four CSHs in support of Operation New Dawn and Operation Enduring Freedom to provide force health protection and combat health support to United States and coalition forces. Two CSHs were commanded by Army nurses—Colonel Barbara Holcomb, Commander of 21st CSH, Iraq and Colonel Judy Lee, Commander of 14th CSH, Iraq—who facilitated healthcare delivery and medical diplomacy.

Major Pamela Atchison, an Army nurse, deployed with Task Force MED East in support of Operation Enduring Freedom, developed the Afghanistan Trauma Mentorship Program for the Afghanistan Theater of Operation. Major Atchison implemented the Afghanistan Trauma Mentorship Program at two Afghanistan civilian hospitals and trained over 500 medical personnel (Physicians, Medics and Nurses) assigned to the Afghanistan National Security Force and Afghanistan National Army. Her contribution to Health Sector Development for Afghanistan, will have a lasting effect for both the civilian and military medical communities throughout the Afghanistan Theater of Operation.

Major Michael Barton developed the United States Forces Afghanistan policies for Infectious Diseases, Needle Stick Injuries, and Surveillance. Major Barton's efforts had a significant impact on the quality of care that U.S. Service Members and Coalition Forces received throughout the Afghanistan Theater of Operation. Major Barton also compiled monthly reports for Task Force Medical commanders throughout the theater, which consisted of information regarding epidemiological investigations and disease non-battle injuries. The report enabled the Task Force Medical commanders to focus on medical readiness issues for both U.S. and Coalition Soldiers.

Colonel William Moran deployed with Task Force (TF) 62 MED as the Patient Safety Officer for the Afghanistan Theater of Operation. He implemented the first ever formal Patient Safety Program in that theater that positively impacted over 1,900 service members, 3 Level III hospitals, and 12 Level II Forward Surgical Teams/Elements. In order to decrease variance in patient safety management, Colonel Moran travelled to each TF 62 MED subordinate units to train 28 Patient Safety Officers and establish unit based patient safety programs. Colonel Moran significantly improved patient safety and the overall delivery of healthcare in theater by establishing an environment of trust, teamwork, and communication based on standards that improved patient safety and prevented adverse events.

Army nurses are contributing significantly to the success of multinational operations and working collaboratively with coalition and Afghan healthcare professionals. I'm very proud of the medical diplomacy efforts, displayed by the nursing leaders in command of the Forward Surgical Teams (FST) in Afghanistan.

Lieutenant Colonel Ruth Timms commanded the 160th FST in support of Operation Enduring Freedom. Her team was embedded within a German NATO Role III hospital and provided direct support to over 11,000 U.S. and Coalition Soldiers that comprised 15 nations. Lieutenant Colonel Timms was an integral proponent for initiating mentorship programs between United States, German, and Afghan providers which is enabling an Afghan Healthcare system fully capable of providing comprehensive healthcare services to the people of Afghanistan.

Captain Roger Beaulieu commanded the 934th FST in support of Operation Enduring Freedom. He and his team cared for over 460 wounded service members, performed over 160 surgeries and improved the medical capabilities of the local national hospital by training four Afghan Surgeons and nearly 100 Afghan medical support personnel.

These Army nurses are writing Army nursing history, and on February 2 of this year, we celebrated 110 years of proud service to our country as a recognized Corps of the United States Army. We thank you, Mr. Chairman, Vice Chairman Cochran and Senator Murkowski for introducing Senate Resolution 31 to commemorate this historic occasion. Chairman Inouye, we also thank you for the very touching, heartfelt video message and for your many years of unwavering support of Army nursing. We marked this day and its meaning by laying a wreath at the Nurse Memorial located in Arlington Cemetery to pay respect to all Army nurses who came before us. We honor them for their service, dedication, and vision.

In the National Capital Area over 500 nurses, active, retired, reserve, and civilian, family and friends of nursing gathered on February 5, 2011 to commemorate this monumental milestone in our rich history. Together, we celebrated "Touching Lives for 110 Years," which really resonated with me and illustrated what I believe is the true essence of Army Nursing. We have been on the battlefield, serving with our fellow Soldiers, throughout our remarkable history and we continue to do so today. Our collective success has been the result of compassion, commitment, and dedication. I am inspired by the pride, enthusiasm, and openness to change that I see

across the ANC in support of Army Medicine and our Nation's missions. My number one priority is the Patient CareTouch System that will serve as the cornerstone to improving the healthcare that provides patient care to our Soldiers and the Families that support them.

I continue to envision an ANC of the future that will leave its mark on military nursing, and will be a leader of nursing practice reform at the national level. Our priority remains our patients and their families, and our common purpose is to support and maintain a system for health. In order to achieve this common purpose, we serve with the courage to care, the courage to connect, and the courage to change so that we may provide the best possible care to those who wear the cloth of our Nation. The ANC is committed to leveraging lessons learned from the past, engaging present innovations, and shaping the future of professional nursing.

On behalf of the entire Army Nurse Corps, serving both at home and abroad, I would like to thank each of you for your unwavering support, and I look forward to continuing to work with you. Thank you.

Chairman INOUE. Admiral Niemyer.

**STATEMENT OF REAR ADMIRAL ELIZABETH S. NIEMYER, DIRECTOR,
NAVY NURSE CORPS, DEPARTMENT OF THE NAVY**

Admiral NIEMYER. Good morning.

Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, thank you for the opportunity to speak today on the state and future vision of the Navy Nurse Corps.

Nowhere is Navy nursing's commitment to the operational forces more evident than in our active engagement in military operations in Southwest Asia, at the Expeditionary Medical Facilities in Kuwait and Kandahar, and with the 1st Marine Logistics Group in Afghanistan. We are clearly essential to our military's medical successes on the front lines of Operation Enduring Freedom.

Nurse practitioners manage the clinical operations at NATO Role 3 in the urgent care clinic and participate in the Shoulder-to-Shoulder Project at Kandahar Regional Military Hospital. In this role, they mentor Afghan nurses in the classroom and in the clinical setting. The promise of enhanced clinical care in the Afghan healthcare system is a vision shared by all those stationed at NATO Role 3.

Navy nurses are also members of embedded training teams and provincial reconstruction teams, collaborating with Coalition partners and offering assistance to military and civilian healthcare providers in Afghanistan.

We played a key role in humanitarian assistance and disaster relief operations in support of Operation Unified Response in Haiti, Pacific Partnership 2010, and Continuing Promise 2010. These operations present a unique opportunity to test our education and clinical skills in rudimentary healthcare environments while strengthening our capability to partner with host nations, U.S. Government agencies, non-governmental agencies, and academic institutions.

Navy nurses continue to support the fleet and expand the services they provide to our sailors and marines at sea. Nurses assigned to aircraft carriers and fleet surgical teams are actively involved in operational missions around the globe and are essential members of shipboard medical teams.

The role of Navy nurses assigned to the Marine Corps continues to expand and diversify. Currently, 18 nurses are directly attached to the Marine Corps serving in clinics and advanced leadership

roles. For the first time in our history, the 2d Marine Expeditionary Fleet surgeon is a nurse.

Today Navy Nurse Corps' active component is manned at 92 percent, and for the fifth consecutive year, we have achieved Navy nursing's active component recruiting goal. The Reserve component is 85.9 percent manned and has reached 48 percent of their fiscal year 2011 recruiting goal. I attribute our recruiting successes to the continued funding and support for our accession and incentive programs, the local recruiting efforts of Navy recruiters, direct involvement of Navy nurses, and the continued positive public perception of service to our country.

Mr. Chairman, I am privileged to provide an update to you and your subcommittee on the progress of our initiative for doctoral preparation of nurse practitioners and nurse anesthetists.

For the past 2 years, we have selected nurses to transition their education programs to a doctorate of nursing practice, either to transition from a master's program to the Doctorate of Nursing practice, or transition from a bachelors program directly to doctoral level work.

Staff members from my office are diligently working on a promotion and schooling plan to maximize opportunities to send newly trained nurse practitioners and nurse anesthetists to study directly for their doctoral education. I am committed to making this education transition the standard for our advanced practice nurses.

We have numerous Navy nursing and joint research and evidence-based projects in progress, and continue to be extremely grateful for your ongoing support of the Tri-Service Nursing Research Program. One study of interest is a collaborative project the Navy is leading that will gather first-person accounts of nurses caring for wounded service members and the memories of the experience from the service members themselves. The knowledge gained about their wounded care journey is essential in order to develop and sustain nursing competencies, and to examine the factors affecting reintegration of the wounded warrior.

Coordination of seamless care is a top priority for the ongoing care of our wounded warriors. This year, we will staff a Navy Nurse Corps officer directly to a newly created position at the VA headquarters. This nurse will work directly with the Federal Recovery Coordinator Program to uncover process issues and craft solutions to streamlined care.

In September 2010, I met with a core group of leaders to formulate my 2011 Navy Nurse Corps Strategic Plan. We identified objectives within five areas of focus: workforce, nursing knowledge, nursing research, strategic partnerships, and information management. I look forward to updating you on Nurse Corps accomplishments on these initiatives in support of Navy medicine.

Being in the military has its challenges, yet it is these challenges that allow Navy nurses to excel both personally and professionally. Our Navy medicine concept of care is patient and family focused, never losing perspective in the care for those wounded, ill, or injured, their families, our retirees and their families, and each other.

PREPARED STATEMENT

Chairman Inouye, thank you for your unwavering support of the commitment to the Navy Nurse Corps, and thank you for providing me this opportunity to speak today. I am honored to represent the total force, Navy Nursing Team, and look forward to continued service as the 23d Director of the Navy Nurse Corps.

Thank you.

Chairman INOUE. I thank you very much, Admiral.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL ELIZABETH S. NIEMYER

INTRODUCTION

Good Morning. Chairman Inouye, Vice Chairman Cochran, and distinguished members of the subcommittee, I am Rear Admiral Elizabeth Niemyer, the 23d Director of the Navy Nurse Corps. Thank you for the opportunity to speak today on the state and future vision of the Navy Nurse Corps. I first want to recognize Rear Admiral Karen Flaherty, the 22d Director of the Navy Nurse Corps, who turned over the helm to me this past August, and now serves as the Deputy Surgeon General. I sincerely thank her for her hard work and dedication which provided for a smooth transition for the Nurse Corps.

Dr. Jonathan Woodson, our new Assistant Secretary of Defense for Health Affairs, recently spoke about the well-being of service members at the 2011 Warrior Resiliency Conference. The 2-day conference focused on Total Force Fitness, an initiative by the Joint Chiefs of Staff. Attendees delved into a more holistic approach to the health of service members and their families. Woodson said; "Resiliency is key to the welfare of the modern troop, as extended warfare is now commonplace." He echoed Admiral Michael Mullen, Chairman of the Joint Chiefs of Staff, by saying; "Resiliency training must be incorporated into all levels of leadership and stages of a service member's military career." Navy nurses understand the importance of fostering resiliency in our patients, their families, our staff, and ourselves as we adapt, overcome, and grow stronger in the enormous challenge of supporting healthcare in a variety of contingencies.

Today, I will highlight the accomplishments of the Navy Nurse Corps over the past year and discuss issues facing the Navy Nurse Corps in 2011, as we care for the health of the Force. The total Navy Nurse Corps is comprised of 3,987 Active and Reserve component nurses and almost 2,000 government service civilian nurses. Working together, we are a collegial team of clinicians, patient advocates, mentors, and leaders, who are a caring and compassionate face to those affected by armed conflict, natural disasters and the day-to-day challenges of work, life and family.

I will also tell you about the successes and accomplishments achieved by our Corps since we last presented to you, concluding with a discussion of the future of the Navy Nurse Corps as we forge ahead to advance nursing care, integrate evidence into practice, and elevate nursing at all levels. My strategic focus is on five key areas: Our Workforce, Nursing Knowledge, Research, Strategic Partnerships, and Information Management. It is within these five areas that I will talk about our successes and address our future efforts. However, before discussing these areas of focus, I want to share the many incredible accomplishments of Navy nurses in operational settings with the Fleet and Fleet Marine Forces, as well as review the increasingly important role that Navy nurses play in humanitarian and disaster relief missions.

OPERATIONAL SUPPORT

Nowhere is Navy nursing's commitment to the operational forces more evident than in our active engagement in military operations in southwest Asia at the Expeditionary Medical Facilities in Kuwait and Kandahar, and with the 1st Marine Logistics Group in Afghanistan. Currently there are over 70 Active and 60 Reserve component nurses deployed in a variety of missions in the Central Command Area of Responsibility. At the NATO Role 3 Multinational Medical Unit in Kandahar, Afghanistan, Navy nurses have taken unprecedented leadership positions both in the hospital and in the battle space of southern Afghanistan. We are clearly essential to our military's medical successes on the front lines of Operation Enduring Freedom. For example, nurse practitioners manage the clinical operations of the NATO Role 3 Urgent Care Clinic, responsible for providing urgent, emergent, and non-

emergent healthcare services to 30,000 NATO, coalition, and civilian Afghan personnel residing on the Kandahar Air Field. Navy nurses have taken a lead role in the highly successful enroute care program where specially trained flight nurses are being stationed with outlying Forward Surgical Teams, providing critical care in the air during patient transfers from distant locations to the NATO Role 3. Having flown over 100 flights in 2010, this program has recorded a remarkable 100 percent survival rate. An initiative undertaken by Navy nurses at the NATO Role 3, and one which contributes greatly to our efforts to improve conditions in Afghanistan is their participation in the Afghan National Army Nurse Corps' Shana baShana (Shoulder-to-Shoulder) Project at the Kandahar Regional Military Hospital. In this project, Navy nurses work in concert with a U.S. Air Force mentoring team in a recurring 2-week curriculum where Navy nurses enhance and update the nursing skills of Afghan military nurses in both a classroom and clinical setting. The promise of enhanced clinical care in the Afghan healthcare system is a vision all those stationed at the NATO Role 3 share.

Navy nurses are also members of Embedded Training Teams and Provincial Reconstruction Teams, collaborating with coalition partners and offering assistance to military and civilian healthcare providers in Afghanistan. Let me share with you the experience of one of our nurses, LCDR Zaradhe Yach, who served with the Provincial Reconstruction Team (PRT) at the Forward Operation Base (FOB) Ghazni. This base is located in one of the largest and most dangerous provinces in the Regional Command East. During the first 90 days in country, FOB Ghazni was rocked by enemy forces over 40 times. During this same timeframe the PRT experienced more than 15 significant activities while conducting mounted combat patrols throughout the province and LCDR Yach was present each time, providing medical assessments and emergency treatments to wounded service members. Patrols were engaged in complex attacks of multiple improvised explosive devices (IEDs), rocket propelled grenades (RPGs), indirect fire, and small arms fires. One IED struck her vehicle, causing catastrophic damage and injuries. The convoy was able to suppress fire and return, while LCDR Yach and her team, along with the Air Force Forward Surgical Team (FST) staff, ensured all injuries were thoroughly evaluated and treated.

During her deployment LCDR Yach facilitated health sector development between coalition partners, meeting multiple times with Afghan leaders. Additionally, she served as a mentor while leading the daily operations of the PRT aid station which provided care for coalition forces, contractors and local interpreters. Under her leadership and guidance, her clinic was able to help over 3,000 patients and distribute over \$150,000 in humanitarian aid and medical supplies, greatly enhancing the quality of life of the Afghan people. Her selfless performance of duties in a combat zone resulted in awarding of the Bronze Star Medal by the Secretary of the Army.

Navy nurses played a key role in humanitarian assistance and disaster relief operations in support of Operation Unified Response in Haiti. On January 16, 2010 USNS *Comfort* (T-AH 20) deployed to Haiti within 72 hours notice to provide disaster relief following a magnitude 7.0 earthquake that devastated the Haitian capital and surrounding countryside. The first patient was received on January 19, just 7 days after the disaster. Nearly 200 patients were admitted within the first 40 hours on station, and the inpatient census peaked at 411 patients on January 28. There were a total of 1,002 admissions and 931 surgical procedures conducted during this mission. Seven operating rooms ran 12 hours per day and three ran "around the clock" to accommodate surgical emergencies. For three weeks, *Comfort* was the most advanced and busiest orthopedic trauma center in the world.

Nurses aboard USS *Bataan* (LHD 5) and USS *Carl Vinson* (CVN 70) also made significant contributions to Operation Unified Response. Fleet Surgical Team EIGHT nurses aboard the *Bataan* participated in the care of 97 patients who were evacuated to the ship and assisted in the delivery of a healthy newborn. The sole Ship's Nurse on *Carl Vinson* worked with a small group of medical augmentees in caring for 60 patients admitted to the ship for medical, surgical and post-partum care. The magnitude of the mission brought an unprecedented number and complexity of casualties. Once again, Navy nursing demonstrated its flexibility, commitment, and professionalism in responding to a humanitarian crisis. Mr. Chairman, I am exceedingly proud of this amazing demonstration of how nurses from joint and international military services and non-governmental organizations united together as a global force to support the population of Haiti in their time of need.

Other significant humanitarian operations included the deployments of USNS *Mercy* (T-AH 19) during Pacific Partnership 2010, and USS *Iwo Jima* (LHD 7) for Continuing Promise 2010. In support of these missions, Navy nurses traveled to Vietnam, Cambodia, Indonesia and Timor-Leste, as well as Haiti, Colombia, Guatemala, Nicaragua, Costa Rica, Panama, Suriname and Guyana. These operations pre-

mented a unique opportunity to test our education and clinical skills in rudimentary healthcare environments, while strengthening our capability to partner with host nations, U.S. government agencies and academic institutions, international military medical personnel, regional health ministries, and nongovernmental agencies through medical, dental, and engineering outreach projects

Navy nurses continue to support the Fleet and expand the services they provide to our Sailors and Marines at sea. Nurses assigned to aircraft carriers and Fleet Surgical Teams are actively involved in operational missions around the globe and are essential members of shipboard medical teams. The nurse aboard USS *Harry S. Truman* (CVN 75) deployed with Strike Group 10 and Carrier Air Wing 3 in support of the wars in Afghanistan and Iraq. During this deployment, our nurse provided training to over 5,000 personnel, to include instruction in basic wounds, First Aid, and Basic Cardiac Life Support. Aboard *Iwo Jima*, a certified registered nurse anesthetist (CRNA) from Fleet Surgical Team FOUR assisted in a research study conducted by the Navy Environmental and Preventive Medicine Unit to evaluate occupational exposure to anesthetic gases among operating room personnel at sea. Furthermore, Fleet Surgical Team nurses flew 20 medical evacuation missions from large deck amphibious ships to USNS *Comfort* or various shore-based facilities, configuring rotary wing aircraft to accommodate critically ill or injured patients, and providing life sustaining enroute nursing care under dangerous and austere conditions.

The role of Navy nurses assigned to the Marine Corps continues to expand and diversify. Currently, 18 nurses are directly attached to the Marine Corps, serving in clinics and in advanced leadership roles. For the first time in the history of the Navy Nurse Corps, the Second Marine Expeditionary Fleet Surgeon is a nurse. Battalion nurses provide operational nursing support to the Forward Resuscitative Surgical Systems (FRSS), the Shock Trauma Platoons (STPs), and to enroute care missions. The nurse at the Marine Corps Training and Education Command oversees the training plans and the Readiness Manual for Marine Corps Health Services, while nurses at the Field Medical Training Battalions provide training for all corpsman and officers attached to Marine units in support of operational missions.

Navy nurses remain inherently flexible and capable of supporting multiple missions in many settings and various platforms. I am continually awed by the men and women in the Navy Nurse Corps. They demonstrate daily that they are uniquely suited to answer the call when a medical response is required.

Mr. Chairman, the remainder of my testimony is organized around my five key areas of strategic focus: Our Workforce, Nursing Knowledge, Research, Strategic Partnerships and Information Management.

OUR WORKFORCE

Today's Navy Nurse Corps active component (AC) is manned at 92.0 percent with 2,852 nurses currently serving around the world. For the fifth consecutive year, we have achieved Navy nursing's AC recruiting goal. This is quite an accomplishment only 7 months into the current fiscal year. The reserve component (RC) is 85.9 percent manned with 1,135 nurses in inventory, and has reached 48 percent of their fiscal year 2011 recruiting goal with 5 months remaining this fiscal year. I attribute our recruiting successes to the continued funding support for our accession and incentive programs, the local recruiting activities of Navy Recruiters, direct involvement of Navy nurses, and the continued positive public perception of service to our country.

The top two direct accession programs that favorably impact our recruiting efforts in the Active component include the Nurse Accession Bonus and the Nurse Candidate Program. The Nurse Accession Bonus continues to offer a \$20,000 sign-on bonus for a 3-year commitment and \$30,000 for a 4-year commitment; and the Nurse Candidate Program, tailored for students who need financial assistance while attending school, provides a \$10,000 sign-on bonus and \$1,000 monthly stipend. I would like to thank you Mr. Chairman, Vice Chairman Cochran, and all committee members for this ongoing and vital support.

For the RC, a vigorous recruiting plan requires flexible tools to ensure we target high quality officers with appropriate skill sets. Incentive programs have proven to be key to recruiting the correct number of officers with the right skills. It is essential that our critical shortage of registered nurses in the specialties of CRNAs, critical care, medical-surgical, perioperative, and psychiatric nursing as well as mental health nurse practitioners are offered competitive incentives. The new officer affiliation and incentive program available to registered nurses in our critical shortage specialties is favorably impacting our reserve component recruiting efforts this fiscal year. The new incentives offer \$10,000–\$25,000 per year depending on the specialty

area of practice and service obligation incurred. Loan repayment programs have also proven to be of great value in attracting critical shortage specialties, such as, advanced practice CRNAs and mental health nurse practitioners.

We know that as the economy improves and civilian nursing opportunities expand through the Affordable Care Act we might once again be faced with recruiting and retention challenges. In anticipation of these challenges, we are inviting nursing students and new graduate nurses to participate as American Red Cross volunteers at our hospitals and clinics to enhance exposure to the military. Additionally, we assigned a Nurse Corps fellow to my staff to monitor recruitment and retention, and to ensure that both remain a priority.

The education and training department at Naval Medical Center Portsmouth assists with a monthly recruitment seminar in which Corps representatives speak to prospective nurses and physicians about Navy Medicine. These sessions allow for arranging tours and one-on-one meetings with junior nurses to answer questions about military healthcare. Additionally, nurses aboard aircraft carriers, hospital ships and on Fleet Surgical Teams contribute to the recruiting effort by providing shipboard tours to prospective nurses, dentists, physicians and other healthcare professionals, ultimately enhancing their knowledge of and exposure to operational medicine and shipboard life.

With the ongoing war, we are keenly aware of the need to grow and retain nurses in our critical war-time subspecialties. Though loss rates have improved overall, there remains a gap in the inventory to authorized billets for junior nurses with 5 to 10 years of commissioned service. Key efforts which have positively impacted retention continue to include Registered Nurse Incentive Special Pay (RN-ISP), which targets bonuses to undermanned clinical nursing specialties, and the Health Professional Loan Repayment Program (HPLRP), which offers educational loan repayment up to \$40,000 per year. Full-time Duty Under Instruction (DUINS) further supports Navy recruitment and retention objectives by encouraging higher levels of professional knowledge and technical competence. Training requirements are selected on Navy nursing needs for advanced skills in war-time critical subspecialties. Seventy-six applicants were selected for DUINS through the fiscal year 2011 board.

We remain diligent in our efforts to grow and sustain our community of mental health nurses. The Navy Nurse Corps is entering its fourth year of officially recognizing the psychiatric mental health nurse practitioner specialty. Restructuring this manpower shift has not been without its challenges, but we are actively involved in building and expanding the close network of advanced practice psychiatric mental health nurses with their peers outside the mental health arena. We currently have two mental health nurse practitioners assigned to the U.S. Marine Corps at the 1st and 2d Marine Divisions, and a majority of our mental health nurse deployments have been in support of Joint Medical Task Force, Guantanamo Bay, Cuba. Many of our Navy psychiatric mental health nurses remain fully integrated in one collaborative mental healthcare approach and are active members of Wounded, Ill and Injured programs.

NURSING KNOWLEDGE

Care for both service members and their families is the top priority for Navy Nursing, Navy Medicine and the Department of Defense. Nurses are a key component of Family and Patient Centered Care initiatives, and I would like to share with you a few success stories where Navy nurses are leading the charge.

Nurse Case Managers provide services to the Wounded Warrior that span the entire care continuum from point of injury to either return to active duty or medical separation from service. The journey from theatre to stateside care is only the beginning of a long road of recovery for returning Wounded, Ill and Injured warriors who are often facing extensive care and rehabilitation for life-changing physical, psychological and cognitive injuries. The complexity of medical healthcare and military systems is often overwhelming to the Wounded, Ill and Injured service members, thus driving a critical need for someone to coordinate care and support services. Nurse case managers are the "SOS or 1-800" contact for the patient and family throughout the continuum of care. The nurse case managers, along with Navy Safe Harbor and the U.S. Marine Corps Wounded Warrior Regiment, bring a more holistic approach to transition of the Wounded, Ill and Injured into the Veterans Affairs (VA) or civilian care by addressing the medical and the non-medical needs concurrently. This collaboration is important to reducing stress and confusion during transition. I am proud to report that our Clinical Case Management Program has been recognized nationally by being awarded the 2010 Platinum Award for the Best Military Case Management Program. This award was presented by the Case Management Society of America and was featured in their journal, *Case In Point* in May

2010. Case management is at the heart of ensuring the development of comprehensive plans of care and ensuring smooth transitions for all Wounded, Ill and Injured service members and their families.

In support of the Navy's efforts to develop resilience in Sailors, Marines, families and commands, we have detailed a senior mental health nurse to the Chief of Naval Personnel to implement the Navy's Operational Stress Control (OSC) program. This comprehensive effort is line-owned and led, integrating policies and initiatives under one overarching umbrella. The program is designed to build resilience and to increase the acceptance of seeking help for stress-related injuries through education, training and communication. Twenty-three modules of formal curriculum have been developed and are being taught at key nodes in a Sailor's career—from boot camp to the Naval War College, with more than 206,000 receiving training to date. We are working hard to develop a culture that rewards preventive actions and recognizes that seeking help is a sign of strength. Navy nurses are uniquely qualified to function in this non-traditional role where the focus is on building resilience and prevention vice treating injury or illness.

During the past year we completed a nurse led Navy Medicine assessment of caregiver occupational stress. Not surprisingly, the study found evidence of caregiver occupational stress. The study also identified that meaningful work, good training, and engaged clinical leaders all contribute to building caregiver resilience. Our future efforts will continue to invest in strategies that enhance resilience and performance while identifying and mitigating expected caregiver demands.

Clinical excellence is the cornerstone of Navy Nursing. An innovative program titled "The Immersion in Critical Care and Emergency Nursing" (ICE) program at Naval Medical Center Portsmouth has been designed to train and sustain skills essential to our critical wartime specialties. This three-part program, consists first of prerequisite training with introductory courses and modules available to and within the Military treatment facility (MTF). The second phase is the Simulation/Skills Lab which targets skills review and specific patient scenarios for high risk situations encountered by the nurse. The final phase involves a practicum with time spent delivering hands-on patient care, focused on specific areas of the specialty. The first nurses to attend this program are just weeks into their deployment rotation at the Expeditionary Medical Facility in Kuwait, so feedback has not been obtained post-deployment. However, we anticipate that ICE will be of great value in introducing nurses to critical care and emergency nursing situations prior to future deployments.

To promote clinical excellence for families of Sailors and Marines we are preparing nurses for unexpected emergencies both stateside and overseas. This year our nurses participated in Mobile Obstetric Emergencies Simulator training at Madigan Army Medical Center, Fort Lewis, along with health providers from all branches of the armed forces. Additionally, we joined in community outreach by partnering with Baby Connections, a care-giver and infant learning/play group facilitated by the local county health department, providing information to caregivers regarding development, infant care, breastfeeding, and dental care for newborns to 3 year olds. Navy nurses serve as members of breastfeeding coalitions and have established lactation consultant presence in hospitals, clinics, and at fleet commands, all in support of initiatives to meet the Healthy People 2020 goals. Nurses are involved in numerous programs which support family centered care, including the Happiest Baby on the Block and parent-infant bonding programs. Family centered care is the foundation of our care delivery model in all treatment facilities.

Nurse Corps officers are actively involved in mentoring baccalaureate and master's students at universities throughout Navy Medicine. Naval Medical Center Portsmouth identified the need for a Nurse Education Coordinator who has the responsibility of coordinating the activities for over 30 local and distance learning schools of nursing from the licensed practical nurse-level to the facilitation of graduate-level clinical experiences. We realize that community involvement with the future nursing workforce is key to both our recruiting and retention efforts as well as to creating a multi-talented, diverse workforce. We are committed to providing high quality clinical experiences to students whenever possible.

For the third year, I am pleased to tell you that funding has allowed us to continue support of the Graduate Program for Federal Civilian Registered Nurses (GPFERN). We recognize the challenges associated with recruitment and retention of civilian nurses for Federal service positions, and continue to see this program as a way to cultivate clinical expertise and future nursing leaders from our civilian workforce by offering graduate nursing education. In the fall we will select another five nurses to attend programs across the country to develop skills as a clinical nurse specialist. After graduation, they will continue their Federal service, directing expert clinical nursing practice across the enterprise.

Navy nurses are at the forefront of Navy Medicine leadership. There are currently eight Nurse Corps Officers serving as commanding officers. In addition, nurses are encouraged to assume leadership positions as associate directors and directors, sometimes in non-traditional nursing roles. Our operational nurses also serve in key leadership roles while underway. This year, the first Nurse Corps Officer held the position of Deputy Commander for the Joint Medical Group with the Joint Task Force Guantanamo, Guantanamo Bay, Cuba. Leaders in executive medicine positions showcase the versatility of our Corps and pave the path for an expanded role for future Nurse Corps leaders.

This year, 22 nurses aboard aircraft carriers and amphibious ships earned the Surface Warfare Medical Department Officer qualification. This qualification is earned by Medical Department officers who attain extensive shipboard knowledge and experience outside of the medical professions. This includes knowledge of engineering systems, navigation methods, communication and weapon systems and offensive and defensive capabilities. The qualification requires knowledge of watch standing responsibilities on the Bridge and in the Combat Information Center and culminates with a final qualifying oral board. Nurses also earn and wear the Fleet Marine Force (FMF) Qualified Officer Insignia. The FMF insignia is earned by Navy officers assigned to the Fleet Marine Force, and it clearly makes a statement that the wearer is a key member of the Marine Corps team. Earning this designation requires serving for 1 year in a Marine Corps command, passing an arduous written test, completing the Marine physical fitness test, and passing an oral board conducted by FMF qualified officers. To date, we have 56 nurses holding this qualification, from our junior lieutenant junior grades officers, to officers holding the rank of captain.

Nurses are not just caregivers, but are a vital part of our organizational structure as mentors to junior officers and our enlisted personnel. Navy-wide, nurses are seen leading Junior Officer Career Development seminars, speaking at local high schools, health fairs, and community colleges. We are actively involved with Navy Nurse Corps students at our Reserve Officer Training Corps (NROTC) programs, frequently attending activities to support and mentor students during their time in school. These experiences are mutually beneficial, providing opportunities for junior nurses to be involved within our community by establishing and maintaining professional relationships, and allowing junior nurses and nurse candidates to seek guidance from senior nurses.

Deployed nurses also serve as mentors and educators for other officers and enlisted personnel. One Navy Nurse recently returned from a 6-month deployment as an individual augmentee in Camp Bastion, Helmand Province, Afghanistan. He was an integral part of the Emergency/Trauma Department where they provided direct patient care to 4,000 combat and non-combat injured patients, delivering over 3,600 units of blood products. During his deployment, this officer conducted TeamSTEPPS® Essential training to the Emergency Department. The Department of Defense, in collaboration with the Agency for Healthcare Research and Quality (AHRQ), developed the TeamSTEPPS® program to serve as a powerful, evidence-based teamwork system to improve communication and teamwork skills. I am proud this energetic Navy Nurse took this training to the deck plate, recognizing that we demand excellence in healthcare quality even at our most remote locations. It is this type of engaged leadership that is the hallmark of Navy Nursing.

Mr. Chairman, I am privileged to provide an update to you and your Committee on the progress of the Navy Nurse Corps initiative for doctoral preparation of our nurse practitioners and nurse anesthetists. As you recall, the 2009 National Defense Authorization Act (Senate Report 111-74, page 275) provided direction from this committee, describing your support of graduate nursing education through our Duty Under Instruction (DUINS) program for training nurse practitioners. The Committee directed the Service Surgeons General, in coordination with the Nurse Corps Chiefs, to provide a report outlining a critical analysis of emerging trends in graduate nurse practitioner education, with an emphasis on the consideration of replacing Master's in Nursing preparation with a Doctorate of Nursing Practice degree program. We submitted that Report to Congress in March 2009, and I am pleased to tell you we immediately identified top performers who were completing their Masters degrees, selecting them to add additional time onto their schooling to complete their Doctorate of Nursing Practice. This past November, we selected seven additional nurses to either transition their Master's program to a Doctorate of Nursing Practice, or to pursue education which will take them from their Bachelor's nursing degree directly into doctoral level work, bypassing the Masters degree. Staff members from my office are diligently working on a promotion and schooling plan to send newly trained nurse practitioners and nurse anesthetists to study directly for their doctoral education.

NURSING RESEARCH

The National Institute of Health (NIH), through The National Institute of Nursing Research (NINR), defines nursing research as the development of knowledge to build a scientific foundation for clinical nursing practice, prevent disease and disability, manage and eliminate symptoms caused by illness, and enhance end-of-life and palliative care. We have numerous Navy Nursing and joint research and evidence-based projects in process, and continue to be extremely grateful for your ongoing support of the TriService Nursing Research Program. Research projects are currently being conducted by active and reserve component nurses on clinical topics such as; heat illness, hemorrhagic shock, development of Navy-wide evidence-based guidelines for wound care management and pressure ulcers, ultrasound guided and peripheral nerve stimulation techniques, catheter removal and motor function recovery, the role of nursing in implementation of a Patient Centered Medical Home (PCMH) in MTFs, virtual reality for stress inoculation, clinical knowledge development and continuity of care for injured service members, competency and work environments of perioperative nurses, moral distress, and nurse-managed clinics.

One study of interest is a collaborative project Navy is leading which includes nurse researchers from the Army, Air Force and the VA. The purpose of this study is to gather first person experience-near accounts of experiential learning of military and civilian nurses caring for wounded service members, along with first person accounts of service members' memories of all levels of care and transitions from the combat zone to rehabilitation. The knowledge gained about their wounded care journey is essential in order to develop and sustain nursing competencies, and to examine the acute and rehabilitative factors affecting reintegration of the wounded warrior. This study also has critical utility for optimal functioning of service members returning to the United States, transitioning into the military and Veterans Affairs healthcare systems, and for developing training programs with military healthcare personnel who work with service members in acute and rehabilitation healthcare settings. Preliminary data analysis is underway. Nurses have shared their expertise and knowledge, and lessons learned are being formulated to improve patient care throughout the Department of Defense and VA healthcare systems.

Nurse researchers are also actively conducting research to explore retention of recalled reservists, psychometric evaluation of a triage decisionmaking, and construction of learning experiences using clinical simulations. Without your initial support of the TriService Nursing Research Program in the early 1990's this would have been a very difficult task to achieve. Ongoing support of military nursing research as a unique and distinct entity is vital to the advancement of this important niche of science to our Nation.

STRATEGIC PARTNERSHIPS

A collaborative approach between Services and Federal agencies has never been more important than it is today. Navy nurses, find themselves serving as individual augmentees (IAs) with sister Services, working in Federal healthcare facilities such as the James Lovell Federal Health Care Center in Great Lakes, supporting academia in facilities such as the Uniformed Services University Graduate School of Nursing and serving in Joint Commands.

The Captain James A. Lovell Federal Health Care Center (FHCC) is the Nation's first fully integrated medical facility between the VA and DOD. Established on October 1, 2010, the facility integrates all medical care into a Federal healthcare center with a single combined VA and Navy mission, serving military members, Veterans, military family members and retirees. Integrating many "types" of nurses has been rewarding, and had very few challenges. Combining the strengths of active duty, DOD, VA nurses and contract nurses, we have formed one orientation nursing program, increased the venues for active duty nurses to obtain their clinical sustainment hours, and combined forces for one Executive Committee of the Nursing staff, with Navy and VA Nursing Executives as equal co-chairs.

Coordination of seamless care is a top priority for the ongoing care of our Wounded Warriors. I am pleased to tell you about a joint initiative between the Deputy Secretary of Veterans Affairs and the Deputy Secretary of Defense to staff a Navy Nurse Corps officer directly to a newly created position at the VA Headquarters in Washington, DC. This nurse will work directly with the Federal Recovery Coordinator Program to uncover process issues and craft solutions to streamline care. The nurse will serve as a vital link between the Veterans Affairs Federal Recovery Coordination Program and the MTFs to assist severely Wounded, Ill and Injured patients and their family members in the complex coordination of their care throughout the rehabilitation continuum. I look forward to providing additional information to you next year on this important role.

Our nurses in Guam have joined their civilian counterparts from Guam Memorial Hospital and Air Force nurses from Anderson Air Force Base to share their skills and experiences. Navy nurses provide the Trauma Nursing Core Course both for providers and instructors. This course has been instrumental in building the confidence and honing assessment skills of nurses who normally do not work in an Emergency Department setting. Naval Hospital Guam also included Joint Medical Attendant Transport Team (JMATT) members in their Emergency Department, allowing them to receive this training at no-cost.

The nurses in the Primary Care Clinic at Naval Health Clinic Corpus Christi (NHCCC) collaborated with our Air Force Nursing counterparts at Wilford Hall Medical Center Diabetes Center of Excellence in San Antonio regarding Diabetes Education. The staff at Wilford Hall Medical Center routinely travels to Naval Health Clinic Corpus Christi to provide monthly diabetic education classes to our patients. In addition, they provide “train the trainer” sessions so our staff can assume the role as the trainer. Naval Health Clinic Corpus Christi also established a collaborative relationship with Brooke Army Medical Center for supplementary clinical experiences.

Naval Hospital Pensacola maintains a Memorandum of Understanding with the local trauma center, allowing collaboration for training and clinical sustainment in critical care, pediatrics, neonatal, and high risk obstetrics. Additionally, the civilian community nurses provide trainers for our specialty neonatal course that prepares staff in the care of high acuity newborns needing transfer to a higher level of care. Recognizing that our nurses must be operationally prepared for deployment, but may have limited inpatient nursing care exposure while working in the clinic environment similar arrangements with inpatient facilities have been made in Hawaii at Tripler Army Medical Center and Newport, Rhode Island with the Providence Veteran’s Hospital. We remain grateful to the Army, Air Force, Veterans Affairs and civilian facilities for these partnerships.

Our RC nurses routinely participate in joint initiatives. Through their reserve commands, Nurse Corps Officers take part in joint training exercises with the Coast Guard, Seabee forces through Naval Mobile Construction Battalions, and Air Force and Army medical teams. Our Operational Hospital Support Units have agreements with Veterans Affairs Medical Centers in several States to provide real time patient treatment both for nurses and hospital corpsmen during drill weekends. This not only supports their continued training and clinical sustainment requirements, but provides additional resources for the VA facility.

I am excited to tell you about our annual “Host Nation Symposium” event at Naval Hospital Rota, Spain, where healthcare providers in the community and military gather to share education and best practices between the two unique healthcare systems. It also provides an opportunity for members of Navy Medicine to meet their counterparts and build camaraderie. We are also partnering with the head of the Spanish Nurse Corps in Rota to allow newly graduated Spanish military nurses to work in our facility. Their graduates spend approximately 2 weeks at our hospital shadowing fellow American nurses. In turn, select military nurses then travel to a trauma course hosted in Madrid. Both the Commanding Officer and Surgeon General from Spain are very optimistic, seeing this exchange as an opportunity to provide diverse experiences and better understand the diverse cultures and healthcare needs of our allies.

INFORMATION MANAGEMENT

The sharing and quick dissemination of news, resources and announcements is a top priority of the Navy Nurse Corps. From a needs assessment, we know that nurses want rapid and easy online access to information which can be accessed at work whether in a traditional or deployed environment. Navy Knowledge Online serves as one platform for that capability and we are working to maximize its utility while we leverage other means of communication.

Last year we reported the launch of the active duty Nurse Corps Career Planning Guide, a web-based mentoring tool for nurses at each stage of their career. Informally the feedback received has been overwhelmingly positive. Within the past several months we deployed similar Career Planning Guides for Reserve Nurse Corps Officers and Government Service Civilian nurses on Navy Knowledge Online. Both groups play a critical role in contributing to the Nurse Corps and Navy Medicine as we meet our peace and wartime missions. As “One Team,” our civilian nurses work with our military staff, providing continuity, experience, and enabling our military nurses to deploy in support of our warriors in the field. Navy Nursing is committed to providing all of our nurses the opportunities to enhance their understanding of operational medicine, grow professionally, and give them the tools to be

leaders in Navy Medicine. The web-based Career Planning Guides (active, reserve and government service) provide a “point and click” list of resources to maximize career opportunities and knowledge for all nurses commensurate with rank and time in service. For example, under “Operational Support,” information on Navy War College Distant Learning Courses are provided, plus numerous links, and articles to enhance their operational skills & knowledge. To help nurses grow professionally, all the Bureau of Medicine and Surgery training and reimbursement opportunities are placed in a “one stop” shop. Finally, civilian nurses serve in leadership positions as directors, department heads and division officers. Our Civilian Career Planning Guide gives them comprehensive information and links to help them manage their military and civilian workforce, and grow as a leader in Navy Medicine. We are able to meet our mission requirements because of our dedicated civilian nurses, and it is an honor to work with them side-by-side in today’s Navy Medicine. We will formally evaluate all three Career Planning guides and will to continue to adjust information based on feedback from the end users.

FUTURE DIRECTION

In September 2010, I met with a core group of leaders to formulate my 2011 Navy Nurse Corps Strategic Plan. Included in the discussions were Specialty Leaders representing over 70 percent of all Nurse Corps officers; headquarters staff; junior officers from Navy Medicine East, West, and the National Capital Region; and the Army Deputy Commander for Nursing Services from the National Naval Medical Center. During this 2-day offsite meeting, five key goals were identified and Team Champions named. Since then, the Strategic Goal teams—comprised of nurses from around the world—have collaborated on projects to meet identified objectives within the five areas of focus: Workforce (maximizing human capital), Nursing Knowledge, Nursing Research, Strategic Partnerships, and Information Management. I recently had my first quarterly update, and I am confident the teams are on track to make solid recommendations for action. I look forward to my next report when I can share with you the accomplishments of Navy nurses throughout 2011 and update you on their initiatives in support of Navy Medicine.

CONCLUSION

Navy Nurse Corps officers are healers of mind, body and spirit; ambassadors of hope; respected nursing professionals and commissioned officers. Being in the military has its challenges, yet it is these challenges that allow Navy nurses to excel both personally and professionally. Mr. Chairman, Vice Chairman Cochran, and distinguished members of the subcommittee, thank you for providing me this opportunity to share the state and future direction of the Navy Nurse Corps and our continuing efforts to meet Navy Medicine’s mission. Our Navy Medicine concept of care will remain patient and family focused; never losing perspective in the care for those wounded, ill, or injured, their families, our retirees and their families, and each other. I am honored to be here today to represent the Navy nursing team, and I look forward to continuing to serve as the 23d Director of the Navy Nurse Corps.

Chairman INOUE. And now may I call upon General Siniscalchi. General.

STATEMENT OF KIMBERLY SINISCALCHI, ASSISTANT SURGEON GENERAL FOR NURSING SERVICES, DEPARTMENT OF THE AIR FORCE

General SINISCALCHI. Mr. Chairman, Mr. Vice Chairman, and esteemed members of this subcommittee, it is my distinct honor and privilege to once again represent over 18,000 men and women of the Air Force Nurse Corps and share our successes and challenges as we execute our strategic plan for global operations, force development, force management, and patient-centered care.

AEROMEDICAL CREWS SAVE LIVES

Across the globe, our Aeromedical Evacuation and Critical Care Air Transport Teams continue to be a vital link in saving lives.

In 2010, our Aeromedical Evacuation crews accomplished 26,000 patient movements on over 1,800 missions. David Brown, from the

Washington Post, reported on an Army sergeant from California who was critically injured in Afghanistan in October 2010. In his article, Brown stated, "In any U.S. hospital, Sergeant Solorzano would be considered too sick to put on an elevator and take to the CT-scan suite. Now, he's about to fly across half of Asia and most of Europe. The U.S. military's ability to take a critically ill soldier on the equivalent of a 7-hour elevator ride epitomizes an essential feature of the doctrine for treating war wounds in the 21st century: Keep the patient moving."

Members of Congress, thank you for passing Resolution 1605 recognizing airmen who perform our aeromedical evacuation mission.

Recently, I was afforded the opportunity to meet my nursing colleague, Brigadier General Rahimi Razia of the Afghanistan National Army. She expressed appreciation for the many contributions our senior mentors and training teams are making to advance nursing. They are helping her create a fundamental nursing education program and a scope of practice.

NURSE TRANSITION PROGRAMS

Our outstanding success could not be possible without investing in our future. We completely transformed our nurse transition program for new graduates into four strategically located centers of excellence in an effort to broaden clinical training. Tampa General Hospital was recently approved as our newest site, and a training affiliation agreement was signed in February. This site will complement our other three sites at Scottsdale, Arizona, University of Cincinnati, Ohio, and San Antonio Military Health System, Texas. We also created a Phase 2 component enabling us to advance the National Council of State Boards of Nursing Transition to Practice Model. Our pilot program at the 59th Medical Wing in San Antonio is leading the charge to deliberately develop our Nurse Transition Program graduates through a comprehensive, 9-month mentoring program.

The American Association of Colleges of Nursing declared entry for advanced practice nurses to be at the doctorate level by 2015. Mr. Chairman, sir, your support of this initiative has been instrumental in our progression from masters to doctorate at the Uniformed Services University of the Health Sciences. We are preparing to send students to this program in 2012 and have three students starting the civilian programs in 2011.

ADVANCED IN MEDICAL TRAINING

We continue to advance enlisted training. A ribbon-cutting was held in May 2010 at the new Medical Education and Training Campus in San Antonio, where all services will train their new enlisted medical personnel. This state-of-the-art training platform will graduate technicians in 15 different specialties to support the Department of Defense mission and optimize our interoperability across services.

As we are developing our airmen, we are also developing our civilians. In January 2011, we conducted our first Nurse Civilian Developmental Board. This inaugural event served as a benchmark to create a civilian force development model that aligns with our officer and enlisted programs.

Our goal of force management is to design and resource our nurse corps to sustain a world-class healthcare force. In 2010, we achieved 102 percent of our recruiting goal. Consistent with the line of the Air Force initiative to meet end strength requirements, our recruiting goals were reduced in 2011. However, we continue to work with the Office of Manpower Personnel and Services to ensure we maintain a robust recruiting program to preserve our quality force.

Our Nurse Enlisted Commissioning Program creates a legacy career path in Air Force nursing. In 2010, 45 enlisted graduates were commissioned into the Nurse Corps. As we enter our third year of the Incentive Special Pay Program, we are seeing positive impacts on professional satisfaction and retention.

We recognize the value of keeping clinical experts at the bedside, table side, and litter side. We developed a clinical track for master clinicians and researchers through the rank of colonel to foster a higher level of excellence within our nursing practice. One of our critical care master clinicians, Colonel McNeil, is currently deployed to Afghanistan and is making a significant difference in trauma and critical care outcomes.

As we aim to provide better health, better care, best value, we are committed to the family health initiative, the Air Force's Pathway to Patient-Centered Medical Home. Our advanced practice nurses, clinical nurses, and technicians are positively impacting access, quality of care, patient outcomes, disease management, and case management. Within our patient-centered care philosophy is the need to address resiliency and mental health of our airmen and families. Last year, I reported that a mental health nurse course was being developed at Travis Air Force Base in California. I am pleased to announce our first students started in February.

The psychiatric Mental Health Nurse Practitioner Program at the Uniformed Services University of the Health Sciences is one of the few in the country that includes psychopharmacology and addresses behavioral techniques specific to the unique needs of our military population. We currently have four students enrolled in this program and four to start this summer.

PREPARED STATEMENT

Mr. Chairman and distinguished members of the subcommittee, it is an honor to represent such a dedicated, strong nurse corps. Your continued support as we execute our priorities to advance military nursing is greatly appreciated. Our wounded and their families deserve nothing less than educated, skilled nurses and technicians who have mastered the art of caring. It is through the medic's touch, compassion, and professionalism that we answer our Nation's call to care for those who served yesterday, today, and will serve tomorrow.

Thank you, and I welcome your questions.

Chairman INOUE. All right. Thank you very much, General.
[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL KIMBERLY A. SINISCALCHI

Mr. Chairman, and distinguished members of the committee, it is again my honor to represent the over 18,000 members of our Total Nursing Force (TNF). Together,

with my senior advisors, Brigadier General Catherine Lutz of the Air National Guard (ANG), and Colonel Lisa Naftzger-Kang of the Air Force Reserve Command (AFRC), along with my Aerospace Medical Service Career Field Manager, Chief Master Sergeant Joseph Potts, we thank you for your continued support of our many endeavors to advance military nursing. It is a privilege to report on this year's achievements and future strategies.

We are a total force nursing team delivering evidence-based, patient-centered care to meet global requirements. We have developed four strategic priorities in consonance with those of the Secretary and the Chief of Staff of the Air Force. They are: (1) Global Operations, (2) Force Development, (3) Force Management, and (4) Patient-Centered Care. These priorities are built on a foundation of education, training and research. This testimony will reflect our successes and challenges as we strive to execute our strategic priorities.

GLOBAL OPERATIONS

For over two decades, our TNF has been supporting humanitarian missions and contingency operations that span the globe. We recognize that our mission effectiveness is contingent upon medics who are equipped, trained, and proficient at implementing Air Force capabilities across the full spectrum of operational environments. Air Force medics are truly expeditionary, and frequent deployments are a part of our culture. The nature of our current operating environment has reshaped the Air Force Medical Service (AFMS) and our Corps. Together we have experienced amazing success in the global environment.

At a flight nurse and technician graduation ceremony at Brooks City Base in San Antonio, Texas on January 29, 2011, the guest speaker, Army Master Sergeant Todd Nelson, gave a poignant talk to our new flight crews. Sergeant Nelson was the personal recipient of aeromedical care after being injured by an Improvised Explosive Device blast during a convoy in Afghanistan. The explosion and shrapnel caused massive head and facial injuries; he was in grave status from the beginning. After receiving initial life-saving surgeries, Sergeant Nelson started his journey home, his condition still life-threatening. Despite the severity of his injuries, Sergeant Nelson remembers the aeromedical team as "a phenomenal team of flight nurses and technicians who did not see me as a statistic, but as someone for whom they would do everything to ensure I survived and got home to my family. They didn't just see me as another patient, but as a person." In his closing comments to the class, he concluded, "for those of you who are starting out and who will be caring for warriors such as myself, I thank you. It is because of you that I am standing here today. It is not only I who thank you, but my wife and my children for enabling me to continue to be a part of this family and their lives."

Aeromedical Evacuation (AE) Crews and Critical Care Air Transport Teams (CCATT) remain busy. In 2010, our Total Force Flight Nurses and Technicians accomplished 26,000 patient movements on over 1,800 missions globally; approximately 11,500 of these patients originated in Central Command. Nearly 10 percent of these missions were for critically injured or ill patients who required a CCATT. While the number of patients has not drastically changed, there has been a shift of casualties from Iraq to Afghanistan. Battle injuries in Iraq have decreased but patients continue to require evacuation for medical illnesses and non-battle related injuries. We continue to see many polytrauma and critically injured patients originating in Afghanistan. Over 1,100 medics deploy each year supporting the AE mission.

Validating this success, a major research study from the Tri-Service Nursing Research Program was concluded this year. This study evaluated the care of over 2,500 critically ill and injured casualties as they moved through the continuum of care from the battlefield to home. As published in the July–September 2010 quarterly journal for the American Association of Critical-Care Nurses, Colonel Elizabeth Bridges, U.S. Air Force Reserves (USAFR), reported that despite having higher acuity than civilian trauma patients, and undergoing a 7,000 mile transport in less than 7 days, the outcomes for critically injured combat casualties are equal to, or better than, outcomes for patients in the most sophisticated trauma systems in the United States. Additionally, the results of this study, along with research which has validated operational nursing competencies, has the potential to standardize and advance evidence-based practices for nurses in all Services, and to ensure training is focused on the highest priority areas including blast injuries, head trauma, shock, amputations, pain management, and patient transport.

David Brown from The Washington Post reported in November 2010 on Army Sergeant Diego Solorzano, who was injured in Afghanistan, "In any U.S. hospital, Solorzano would be considered too sick to put on an elevator and take to the CT-

scan suite. Now he's about to fly across half of Asia and most of Europe . . . the U.S. military's ability—not to mention its willingness—to take a critically ill soldier on the equivalent of a 7-hour elevator ride epitomizes an essential feature of the doctrine for treating war wounds in the 21st century: Keep the patient moving.” Despite the noise, vibration, temperature extremes, and pressure changes, AE and CCATT have truly been the critical link providing world-class care across the continuum from the battlefield to the United States.

On September 28, 2010, members of the U.S. House of Representatives unanimously passed a resolution honoring the Airmen who support and perform AE. House Resolution 1605 recognizes the service of the medical crews and aircrews in helping our Wounded Warriors make an expeditious and safe trip home to the United States, commending the personnel of the Air Force for their commitment to the well-being of all our service men and women who help to guarantee wounded service men and women are quickly reunited with their families and given the best medical care. During a press release, Congressman Mike Thompson stated “These men and women put their lives on the line on a regular basis to protect their fellow Americans.” The ability to rapidly move patients from point of injury, to initial intervention, and then on through the system to the United States in 3 days or less for definitive care continues to sustain the lowest mortality rate of any war in United States history.

While our AE crews and CCATT members are the most visible members of our AE system, it is the men and women in our Patient Movement Requirements Centers who work behind the scenes to coordinate all patient movements. Be it a tactical or strategic transport, patient movement requests are validated at the requirements center and then passed through an AE Control Team to match patients to AE crews, air crews, and aircraft. Personnel in these centers have knowledge in both the challenges of AE and an understanding of clinical pathologies. They use this combined knowledge to facilitate patient movement in the most timely and efficient manner possible. These individuals are integral to the extraordinary patient outcomes we are experiencing.

Within the Pacific Theater, we constantly battle the tyranny of distance to meet patient movement requests. Our Theater Patient Movement Requirements—Pacific created a Joint-Medical Attendant Transport Team (JMATT) Training Program to augment our AE system. These multi-service medical attendants move critically ill or injured patients within and across the Pacific Command Theater of Operations. Since 2008, 98 Joint Department of Defense, Hawaii's Disaster Medical Assist Team, and international medics from Australia, India, Indonesia and Singapore have been trained to move high-acuity patients to augment our AE system. This permits us to optimize critical care resources for expedited patient movement.

In addition to the over 100 AE flyers in the combat environment, over 1,300 nursing personnel support ground missions to include theater taskings such as trauma hospitals, provincial reconstruction and teaching teams, and forward-deployed and convoy medical missions. Working side-by-side with our sister Services and Coalition Partners enables us to integrate into the Joint environment and support our Secretary and the Chief of Staff's priorities to partner to win today's fight.

Captain Denise Ross, who is currently deployed to Kandahar, Afghanistan, is a member of an Air Force multidisciplinary Medical Embedded Training Team (METT) which enables Afghan National Security Force nurses to train within their own hospitals using their own personnel and equipment resources. This program empowers the staff to problem solve using available resources. The development of this internal reliance is leading the creation of a self-sustaining program in order to ensure its continued success after North Atlantic Treaty Organization forces are no longer required.

During a recent visit to Afghanistan, Brigadier General Rahimi Razia, Chief Nurse of the Afghanistan National Army, expressed her deepest appreciation for the contributions the METTs and our Senior Military Mentors have made to advance nursing for the Afghan National Army. These teams are assisting General Razia in developing a sustainable, 1 year basic nursing education program, and defining a fundamental scope of practice. This elemental program is essential to the evolution of nursing practice in Afghanistan. As we transition to an advisory role in Iraq and support ongoing operations in Afghanistan, we continue to educate and mentor the local national healthcare providers as they evolve their own healthcare system.

Building partnerships is all about developing trust-based relationships in the global environment. Across the globe our medics collaborate with our Joint colleagues and National partners to advance the practice of nursing. Under the direction of Colonel Elizabeth Bridges, USAFR, the Defense Institute of Medical Operations initiated a new international trauma course. The course, which is the first of its kind, was developed to advance trauma nursing in developing nations. Addi-

tionally, the course focuses on the leadership role of nurses in developing trauma systems and in responding to disasters. Since May, the course has been presented to over 120 nurses from five nations, including Estonia, Latvia, Lithuania, Pakistan, and Nigeria, with a future course to be presented in Iraq. Feedback from the participants and the host nations has been positive, as exemplified by the feedback from Brigadier General Raiz, Commandant of the Pakistani Military Academy, who had glowing praise for the Trauma Nursing and First Responder courses. With regards to the nursing course, he stated that 45 nurses have already returned to their home stations and are teaching other nurses using the course materials provided by the team.

Another exciting area within this global spectrum is our International Health Specialist Program. This program is comprised of Total Force officers and enlisted members who focus on capacity building efforts and forging medical partnerships through humanitarian, civic assistance, and disaster response. One such example is Operation Pacific Angel in the Philippines, which is aimed at improving military-civilian cooperation. During this operation in February 2010, the medical teams treated nearly 2,000 Filipino patients. This program assists Philippine officials to build capacity within their cities, focusing on basic life support, infectious disease prevention and treatments, disaster readiness, and public health.

This year, officials from the United States and Republic of the Philippines co-hosted the 4th annual Asia-Pacific Military Nursing Symposium in Manila, Republic of the Philippines for more than 200 nurses from 13 countries. This annual conference ignites the spirit of collaboration to focus on nursing education, career development, global pandemic preparedness, and disaster management. Through this unique symposium, participants learn about each other's healthcare systems, infection control practices, and nursing services. Colonel Narbada Thapa, the head delegate from the Nepalese Armed Forces, commented on the opportunity to build relationships and acquire knowledge on nursing from many armed forces from around the world, making the symposium a memorable event for all.

FORCE DEVELOPMENT

Our outstanding success in mission support could not be possible without a solid investment in developing our nursing force. Grounded in education, training and research, we are generating new knowledge and advancing evidence-based care necessary to enhance interoperability in nursing operations. Stepping into the future, we are preparing our Total Nursing Force to meet emerging challenges as we develop globally minded medics capable of providing world-class healthcare on the strategic battlefields of today and tomorrow.

Our Nurse Transition Program (NTP) continues to be an integral component in developing our new nurses. We graduated 212 nurses in fiscal year 2010 from eight military and two civilian locations. In December 2010, we graduated the third class from Scottsdale Healthcare System in Arizona. This outstanding civilian program has produced 56 nurses since its inception. As a Magnet facility, Scottsdale Healthcare System is one of only 382 hospitals recognized world-wide for nursing excellence. This program provides complex clinical training under a preceptor-led transition model for new graduates. Under the supervision of Lieutenant Colonel Deedra Zabokrtsky, NTP Course Director—Scottsdale, our new nurses are clinically prepared and gaining the confidence to take on their own clinical practice. Program excellence can be noted in a diary entry from one NTP student who had just begun her week in Obstetrics (OB). This student was assigned a patient who was failing to progress in labor and was informed that a cesarean section was believed inevitable. Based on current research, she decided to take an evidence-based approach as encouraged by her preceptor. Garnering support from her fellow nurses and agreement from her patient to try a new approach, a unique plan of care was initiated, to include rotation of the patient's position every 15–30 minutes. The final result: a vaginal birth of a beautiful baby boy. As the student stated, "This situation has affected the way I will educate my OB patients in the future . . . the best we can do as nurses is make sure our patients are well informed . . . this is true for all areas of nursing." This exemplar highlights the critical thinking and sound, evidence-based nursing practice needed from today's nurses.

Due to the resounding success of this military-civilian collaboration, we decided to consolidate resources and create four NTP Centers of Excellence. A civilian Magnet facility, Tampa General Hospital, Florida, was recently approved as one of these sites and the training agreement was signed February 24, 2011. The remaining three Centers of Excellence will be in Scottsdale, Arizona; San Antonio, Texas; and Cincinnati, Ohio; and will provide our new nurses with the experiences so crucial to their professional development.

Our Nurse Enlisted Commissioning Program (NECP) continues to be a balanced source of nurse accessions as we “grow our own” from our highly trained enlisted medics. In fiscal year 2010 we enrolled 46, students nearing our goal of 50 students per year. The graduates from this program are commissioned as Second Lieutenants and will continue their active duty service in the Nurse Corps.

As we strive to create full-spectrum leaders and nursing professionals, our recently launched Project Lieutenant is designed to improve skills and reinforce training with increased oversight and mentoring during our new nurses’ first year. Over the years, the National Council of State Boards of Nursing (NCSBN) has researched the issues of education, training, and retention of novice nurses and found that the inability of new nurses to properly transition from student into a new practice can have grave consequences. The NCSBN reported that approximately 25 percent of new nurses leave a position within their first year of practice. The increased turnover, consequently, has a potentially negative effect on patient safety and healthcare outcomes. The NCSBN’s Transition to Practice Model provides a way to empower and formalize the journey of newly licensed nurses from education to practice. Project Lieutenant is our pilot program to support our nurses’ successful completion of the nurse residency program and transition into new clinical practice areas. Established at the 59th Medical Wing, Joint Base San Antonio, Texas, Project Lieutenant is leading the charge to deliberately develop our newly graduated NTP nurses through a comprehensive 9 month mentoring program. The deliberate development of the novice nurse is in step with the NCSBN’s model and will be replicated at several sites to ensure consistent quality of patient care and address the concerns of the new nurse, ultimately promoting public safety and positive patient outcomes.

As we aim to improve upon positive patient outcomes, we are committed to serving our Wounded Warriors. As we enter our 10th year of intensive combat operations, we are not only faced with the challenge of caring for those with physiological wounds but also those with psychological wounds as well. As Secretary Gates stated, there is “no higher priority in the Department of Defense, apart from the war itself, than taking care of our men and women in uniform who have been wounded, who have both visible and unseen wounds.” The National Defense Authorization Act 2010, Section 714, directed an increase in the number of active duty mental health personnel and, to meet the Secretary’s priority of taking care of our Airmen and families, we are launching a program to develop mental health nursing professionals from within our Corps. Our pilot class started at Travis Air Force Base, California, on February 14, 2011, and our next class is set to begin in June 2011, projecting eight graduates this year.

The Uniformed Services University of Health Sciences (USUHS) Graduate School of Nursing recently stood up a Psychiatric Mental Health Nurse Practitioner Program (PMH-NP). This new program has graduated two Air Force advance-practice nurses, with two Air Force students currently enrolled and four more students planned for 2011. The PMH-NP is one of the few programs in the country that includes psycho-pharmacology and addresses behavioral techniques specifically designed for clinical care of the military population. The program also has specific training in the logistics of delivering healthcare in military populations and education in Compassion Fatigue/Resiliency to decrease the risk of mental health issues and burnout.

We also recognize our unique role in supporting the AE System within the AFMS. In 2009, we developed an Air Force Institute of Technology Master’s degree in Flight Nursing with a concentration in Disaster Preparedness. This program was developed in partnership with Wright State University, the Miami Valley College of Nursing, Dayton, Ohio, and the Health and National Center for Medical Readiness Tactical Laboratory. Additionally, a disaster training facility, called Calamityville, is being created and may be incorporated into civilian and military training programs. Our first student started the flight nurse graduate program in July of 2010 and another student is programmed to begin this summer. Upon graduation, these individuals will have been educated in emergency and disaster preparedness and they will be eligible to take the Adult Health Clinical Nurse Specialist and American Nurse Credentialing Center certification exams. This expertise will be invaluable to our current and future operational environment.

A major movement in advanced practice nursing education was stimulated by the American Association of Colleges of Nursing (AACN) as they voted to move the current level of educational preparation from the master’s level to the doctorate level by 2015. To maintain professional standards and remain competitive for high quality students amongst military advanced practice nurses, Senator Inouye addressed Congress in December to recognize the need to make this transition at USUHS. Along with our sister Service nursing colleagues, we are working with USUHS to develop the curriculum for a Doctorate of Nursing Practice (DNP) with a transition

plan to meet this goal. By 2015, all students entering the nurse practitioner career path will graduate with a DNP. This entry level to advanced practice will apply also to direct advanced practice nurse accessions. The Health Professions Education Requirements Board (HPERB) allocated nine DNP positions for an August 2011 start. Four of the candidates will go from a master's to doctorate level and five will progress from the baccalaureate level to the doctoral level to meet the new requirement.

In addition to our DNP programs, we continue to bolster our evidence-based care through investment in nurse researchers. We recently developed a nursing research fellowship and the first candidate began in August 2010. This 1 year pre-doctoral research fellowship focuses on clinical and operational sustainment platforms. The intent of this program is for the fellow to develop a foundation in nursing research and ultimately pursue a Ph.D. Following the fellowship, they will be assigned to work in Plans and Programs within the Human Performance Wing of the Air Force Research Laboratory. This direction also reflects the National Research Council of the National Academies recommendation that those planning for careers with a heavy concentration in research have doctoral preparation.

Major Candy Wilson and Major Jennifer Hatzfeld both received their Ph.D.s in Nursing Science through the Air Force Institute of Technology civilian institution program. The Air Force's investment in doctorally prepared researchers equipped these nurses to deploy as integral members of the Joint Combat Care Research Team with the clinical and scientific expertise needed to make a difference for our Wounded Warriors. The research and statistic expertise of these nurses in conjunction with their clinical expertise was pivotal in projecting the medical resources needed for casualties during the surge in combat operations and assisting the Afghan government in evaluating the effect of a Strong Food program supported by the U.S. Agency for International Development. The investment in military nurse education is critical for improving the lives of deployed U.S. military members, coalition partners, and host nationals.

With a goal to advance cutting-edge, evidence-based nursing practice, we have further developed the clinical career track for Master Clinicians and Master Researchers through the rank of Colonel. Master Clinicians are board certified nursing experts with a minimum preparation of a master's degree and at least 10 years of clinical experience in their professional specialty. They serve as the functional expert and mentor to junior nurses. Our Master Researchers are Ph.D. prepared and have demonstrated sustained excellence in the research arena. Both of these highly respected positions facilitate critical thinking and research skills, and foster the highest level of excellence in care across our healthcare system. We currently have eight Master Clinicians and three Master Researchers within designated medical and research facilities.

In addition to training our newest nurses, we have realized the efficiencies in Joint training for our enlisted medical technicians as well. Teaming with our Joint partners, a ribbon cutting ceremony was held in May 2010 at the new Joint Service Medical Education and Training Campus (METC). This training campus will grow to be home to nearly 8,000 students with an operating staff and faculty of over 1,400 civilian and Joint military personnel. In March 2011 a Memorandum of Agreement and Board of Governors Charter was signed by all three service Surgeon Generals. Creating this state-of-the-art training platform will produce technicians in 15 different specialties to support the DOD mission and optimize our interoperability amongst the next generation of medics in the ever-growing Joint environment.

An ongoing effort in the development of our enlisted members is the transition of our Independent Medical Technicians (IDMTs) and Aerospace Medical Technicians (4NOs) to certified paramedics. This advancement will continue to decrease our reliance on contract emergency response systems and with an end goal of 700 paramedics. In 2010 we certified 46 paramedics, bringing our total over 200. To enhance the tremendous capability of our IDMTs, our goal is to reach 100 percent within this constrained career field over the next 5 years.

We believe this advancement in the development of our medics will eliminate the stove pipe that has limited career opportunities within the IDMT specialty field and over the long run enhance career progression for these highly qualified medics. Additionally, our IDMTs are eligible for the selective reenlistment bonus which has aided in the recruitment and retention of these highly valuable assets. Our IDMTs are enlisted professionals who serve as physician extenders and force multipliers and who are capable of providing medical care, often in isolated locations. Senior Master Sergeant Patrick McEneaney, who is just one of these valued medics, deployed for 7 months as an IDMT to Iraq with a Joint Special Operations task force. As a provider in a remote location, he supervised an urgent care medical clinic, serving a camp of 1,200 individuals. His accomplishments during this deployment in-

cluded the resuscitation and stabilization of combat traumas and emergencies and the treatment of 1,500 ill and injured patients. Additionally, he evaluated multiple Combat Search and Rescue exercises at forward operating bases to validate the care for Special Operations Pararescuemen. For his efforts, Sergeant McEneaney was awarded the Bronze Star.

Further opportunities to maximize the potential of our Airman and grow the next generation of Noncommissioned Officers are available through the Air Force Institute of Technology (AFIT) for certain key enlisted specialties. To date, we have three such positions identified; one in education and training at the Air Force Medical Operations Agency, another within our Modeling and Simulation program at Air Education and Training Command, and the third within the research cell at Wilford Hall Medical Center. Our most recent addition to the research cell is Senior Master Sergeant Robert Corrigan, who just arrived to Wilford Hall Medical Center.

Just as we are developing our Airmen, the development of our civilians is critical to our overall mission success. We are establishing a career path from novice to expert and offering deliberate, balanced, and responsive career opportunities for our civilians. Just as the career path for our military nurses and medics, this career path will focus on the right experience, training, and education, at the right time. In January 2011, we conducted our first Civilian Developmental Board at the Air Force Personnel Center. The goal of this board is to present the opportunity to our civilian nurses for deliberate development and vectoring from the Force Development team, similar to the feedback given to their military counterparts. During this inaugural event, Level I and Level II Civilian Nurse Supervisors volunteered their records for this formal review and career counseling opportunity. This program will be a benchmark for the AFMS as we continue to expand this vectoring process across all of our Corps.

FORCE MANAGEMENT

The goal of Force Management is to design, develop, and resource the Air Force Nurse Corps to sustain a world-class healthcare force in support of our National Security Strategy and align our inventory and requirements by specialty and grade. We must have the right number of people to accomplish the mission. In fiscal year 2010, we recruited 170 fully qualified nurses and selected 126 new nursing graduates exceeding our recruiting goal of 290. In line with initiatives to decrease Air Force end-strength, Nurse Corps recruiting service goals were reduced in 2011. As we face force shaping initiatives, it is critical that we continue to develop programs that provide the clinical ability essential to the sustainment of our nursing force.

In fiscal year 2008, the long-needed increase in colonel authorizations for the Nurse Corps created a deficit to the grade ceiling. With current personnel and year-group sizes, filling the authorized grades at the senior level remains challenging. In an effort to resolve the persistent grade level imbalances, nursing leadership has been working closely with the Office of Deputy Chief of Staff, Manpower, Personnel and Services to develop options, to include the possibility of the Defense Officer Personnel Management Act relief. This scenario would allow the colonel grade ceiling to reach allowable guidelines by 2016. The Nurse Corps is continuing to pursue the optimal solution in keeping with the Chief of Staff of the Air Force's direction. These critical Nurse Corps positions are not affected by current Air Force efforts to reduce its endstrength to authorized levels.

In light of the significant limitations placed on direct accessions, it is imperative that we focus on the retention of our experienced nurses. As we enter our third year of the Incentive Special Pay (ISP) program, we continue to see the positive impact this program has on enhancing the professional satisfaction and retention of our experienced clinical experts. This program, which incentivizes clinical excellence at the bedside, tableside and litter-side, is crucial in maintaining the needed staffing in career fields that are critically manned.

Another incentive for our nursing force is the Health Professions Loan Repayment Program targeted at those specialties with identified shortages. Health professionals who qualify for the program are eligible for up to \$40,000 of school loan repayment in exchange for an extended service agreement. In 2010, 53 nurses elected to use this opportunity for financial relief in paying back school loans.

With Chief Master Sergeant Joseph Potts leading our enlisted force, he is pleased to report success in securing a Selective Reenlistment Bonus (SRB) for the 4N enlisted career field fiscal year 2010. As mentioned, our IDMTs, along with medical technicians in several other critically manned career fields such as the surgical subspecialties, Ear Nose and Throat, urology and orthopedics, are eligible for this bonus. The SRB allows us to focus our resources in areas where we can best retain medics in our critically needed specialties.

The Graduate School of Nursing (GSN) at USUHS continues to provide cutting-edge academic programs to prepare nurses with military unique clinical and research skills in support of delivery of patient care during peace, war, disaster, and other contingencies. The GSN helps to ensure the Services meet essential mission requirements and has a history of rapidly responding to Service needs that is not possible in civilian institutions. For example, the GSN established the Perioperative Clinical Nurse Specialist and Psychiatric Mental Health Nurse Practitioner Program; as well as focusing research and evidence-based practice initiatives on pain management, traumatic brain injury, and the care of deployed and Wounded Warriors.

PATIENT CENTERED CARE

As we mold our nursing force today, we are shaping our capabilities for tomorrow's fight. Our success will be measured continuously through conscious and deliberate planning and development. We strive to establish leadership and professional development opportunities to meet current and future Joint and Air Force requirements while building trust through continuity and patient centered care. "Trusted Care Anywhere" is the mantra of the Air Force Medical Service. Understanding the value of patient-centered care, the AFMS is focusing on "Better Health, Better Care, Best Value" through the Family Health Initiative.

Across the globe, our healthcare teams are focused on building patient-centered platforms able to perform the full scope of medical and preventive care to our patients at home and abroad. We are committed to the execution of the Family Health Initiative (FHI), the Air Force's pathway to Patient-Centered Medical Home, which provides continuity of care, team work and fosters improved communication; all maximizing patient outcomes. Our Disease Managers and Clinical Case Managers (CCMs) play an integral part in this process. At several locations, our telephone consults have decreased by 21 percent from 2009, and our network referrals to an Urgent Care Clinic have decreased by 50 percent since the FHI was started. This decrease in urgent care referrals has saved over \$174,000 for Joint Base Elmendorf Richardson in Alaska. As well, a set of performance measures developed by the National Committee for Quality Assurance, Healthcare Effectiveness Data and Information Set (HEDIS), is used to measure clinical outcomes since FHI inception. The HEDIS results demonstrated an overall improvement in diabetic screening results and reporting. F.E. Warren Air Force Base, Wyoming reports patient satisfaction is at an all time high of 96 percent for 2010. Additionally, many other sites are reporting similar experiences as a result of this modification in how we care for our DOD beneficiaries.

Alongside our Disease Managers, our CCMs are helping patients receive safe, timely, cost-effective healthcare. The Air Force has 113 CCMs and in fiscal year 2010 there were 47,000 CCM encounters, a 50 percent increase over fiscal year 2009. Additionally, 4,000 of these encounters were with Wounded Warriors, a 100 percent increase over fiscal year 2009. Based on Air Force Audit projections, CCMs have generated over \$300,000 in savings compared to fiscal year 2009. The CCM is integral to patient care coordination and the FHI, ensuring our patients see the right provider, at the right time, and at the right place. The goal of the Medical Home Model is to strengthen the partnership between the patient and the healthcare team, and continue to look at ways to provide timely, cost-effective care while focusing on patient safety, and decreasing variance at every point of healthcare delivery.

Patient safety remains paramount. For AE, the rate of patient safety incident reports was less than 5 percent of patient moves. Of note, most of these events were near-miss, meaning the event was prevented and never reached the patient. To strengthen our Patient Safety Program, Air Mobility Command has created an Aeromedical Evacuation Patient Safety Course modeled on the principles of the Department of Defense's Patient Safety Program. Ms. Lyn Bell, a retired Lieutenant Colonel flight nurse and Chief, Aeromedical Evacuation Patient Safety, taught the first class in December 2010. She trained 17 safety monitors from 10 total force agencies including AE Squadrons, the Patient Movement Requirements Center and Staging Facilities. This new program focuses on accurately capturing and documenting actual and potential patient safety concerns. It teaches units how to incorporate patient safety into their training scenarios and prepare the units for the high operations tempo in the combat theater. With these continued efforts, we hope to further enhance our culture that protects patients and advances process improvements.

Beginning November 2010 through June 2011, the Air Force Medical Operations Agency (AFMOA), in conjunction with the DOD, is implementing the Patient Safety

Reporting (PSR) System in Air Force military treatment facilities worldwide. The PSR provides staff with a simple process for reporting patient safety events using DOD standard taxonomies, which enhance consistency and timely event reviews. The PSR event data will be analyzed for trends and assist in identifying targets for process improvement, both at Air Force and DOD levels.

A final note on patient safety: We have initiated a 1 year fellowship in Patient Safety incorporating all areas within the AFMS, to include the clinical, logistical, financial, and environment aspects of care. This fellowship includes education on patient safety event reporting, sentinel and adverse events, root cause analysis, proactive risk assessment, and risk management. The fellow will also become knowledgeable in patient safety database systems and strategic communication to allow them to engage with Air Force and DOD leadership.

We also recognize our responsibility in caring for victims of sexual assault within our military healthcare system. Medical treatment facilities team with installation Sexual Assault Response Coordinators to deliver care to victims via coordination with Victim Advocates and Medical Specialists. To ensure the integrity of forensic evidence and guarantee access to care, most sexual assault exams are done off-base via a memorandum of understanding with local treatment facilities. In the deployed environment, seven of eight medical treatment facilities perform exams on-site while one location uses a co-located Army hospital. Upgraded First Responder training has been implemented to increase training efficiency; over 6,000 medics completed First Responder Training in fiscal year 2010.

At the root of patient care is nursing research yielding evidence based practices. In fiscal year 2010, the Tri-Service Nursing Research Program (TSNRP) awarded 18 research grants, including five awards totaling \$1,015,045 to Air Force nurse scientists. These investigators are now studying military unique and military relevant topics such as positive emotion gratitude, the resilience of active duty Air Force enlisted personnel, and military medics' insight into providing women's health services in a deployed setting.

Under Colonel Marla De Jong's leadership, and for the first time in its history, TSNRP offered research grant awards to nurses at all stages of their careers—from novice nurse clinician to expert nurse scientist. The Military Clinician-Initiated Research Award is targeted to nurse clinicians who are well-positioned to identify clinically important research questions and conduct research to answer these questions under the guidance of a mentor. The Graduate Evidence-Based Practice Award is intended for DNP students who will implement the principles of evidence-based practice and translate research evidence into clinical practice, policy, and/or military doctrine. It is critical that funded researchers disseminate the results of their studies so that leaders, educators, and clinicians can apply findings to practice, policy, education, and military doctrine as appropriate. This grant will enhance this dissemination and uptake of evidence.

This year, Air Force nurses authored more than 10 peer-reviewed publications and delivered numerous presentations at nursing and medical conferences. Also in 2010, the TSNRP's Battlefield and Disaster Nursing Pocket Guide and clinical practice guidelines were established as the primary performance criteria for the Air Force Nurse Corps readiness skills verification program. The integration of these evidence-based recommendations will ensure that all nurses are prepared and provide the highest quality, state-of-the-art care under operational conditions.

We are also leveraging data gained from the Joint Theater Trauma Registry to create innovative solutions for the battlefields of tomorrow, today. In summer of 2011, in collaboration with our Joint and Coalition Partners, we are establishing an enroute critical care patient movement system to augment our existing tactical transport. Once wounded, a patient is transferred as quickly as possible to a forward surgical team, normally within 1 hour. These patients may undergo life-saving damage control resuscitation and surgery.

Most often these patients are then transferred via helicopter to a trauma center where their wounds can be treated more extensively by medical specialists. These seriously and critically injured patients receive en-route care by an Emergency Medical Technician with basic or intermediate clinical skills or a facility must provide an attendant to accompany the patient. This latter option limits the availability of these skilled clinicians who may be needed for other incoming patients.

Neither solution was considered optimal in terms of ensuring clinicians with the right skill sets are available while not reducing the availability of care providers. As a result, of these challenges, the Air Force developed Tactical Critical Care Evacuation Team, or TCCET, to augment these inter-hospital transfers. The current TCCET composition consists of two certified registered nurse anesthetists and an emergency room physician. This team possesses advanced clinical skills to support ventilated patients as well as patients who are hemodynamically unstable. The

team can function as a whole or each provider can perform separately to meet the patient or mission needs. The TCCET will augment the Army flight medic, or Air Force pararescuemen on missions, and will also be able to support AE missions or augment the CCATT, if needed.

Prior to deployment, these providers will hone their critical care skills by attending our Centers for Sustainment of Trauma and Readiness Skills (CSTARS) program at University of Cincinnati, Ohio. They will attend the Joint Enroute Care Course at Fort Rucker, Alabama to become familiar with rotary wing operations. The team will carry backpack sized equipment packs to support most critical care patients, to include pediatric patients. By inserting this higher level of specialized care at the earliest juncture in the injury spectrum, we hope to improve overall outcomes for the Wounded Warrior.

In the area of skills sustainment, our partnerships with high volume civilian trauma centers continue to thrive. Our CSTARS platforms provide invaluable opportunities to hone war-readiness skills. In 2010, 907 doctors, nurses, and medical technicians completed vital training at one of these three centers located in Baltimore, Maryland; Cincinnati, Ohio; and St. Louis, Missouri. Another example of our skills sustainment initiatives lies within the 88th Medical Group at Wright Patterson AFB, Ohio. The Medical Group stood up a state-of-the-art Human Patient Simulation Center for providing realistic training opportunities for healthcare personnel in 2009 with completion of the center in 2010.

The Center has incorporated simulation into various training courses including Advanced Cardiac Life Support, Pediatric Advanced Life Support, and the Neonatal Resuscitation Programs as well as the Aerospace Medical Service Apprentice Phase II and III program, and the Nurse Transition Program. The Simulation Center also initiated monthly Mock Code drills using human patient simulators and implemented Team Strategies and Tools to Enhance Performance and Patient Safety (TEAMSTEPPS) into simulation training scenarios. This center is also the primary pediatric simulation site for military and civilian medical students attending the region's Dayton Area Graduate Medical Education Consortium.

Because of their efforts, the 88th Medical Group won the Air Force Modeling and Simulation Annual Innovative Program Team Award for their live training via a remote presence robot on the care of burn casualties. The team connects via laptop with a robot at Brooke Army Medical Center's burn unit during interventional patient care, and an on-site facilitator describes the treatment procedure in real time. The program was coordinated through the Army Institute of Surgical Research.

Within our patient-centered care philosophy is the recognition of the need to address the resiliency of our Airmen and families as well as to care for the caregiver. As an experienced critical care nurse, Lieutenant Colonel Mary Carlisle thought she could handle anything on deployment to Iraq. But the casualties she saw daily took a toll on her psychological health. When Colonel Carlisle returned home, her war wounds were invisible. She became increasingly lost in sorrow, becoming absorbed and distracted by thinking "What if?" and "Why?" She sought solace at the National Mall in Washington, DC, studying the faces of the Vietnam Women's Memorial monument, identifying with each of the women depicted in the monument. During her 2010 Memorial Day speech at the Vietnam War Memorial she reflected how she was, during different times of her deployment, each one of those women. She states "I was the woman kneeling, looking down, defeated, holding the helmet that will never be worn again. I was the woman cradling the Wounded Warrior, fighting with everything I had to save his life. And, I was the woman gazing skyward; grasping the arm of my colleague, anticipating whatever was to come."

Colonel Carlisle found the courage to seek help for her wounds and hidden trauma. She further states "now I am at peace knowing I—we—did the best we could, and the fallen angels were not lost in vain, and America's freedom still reigns." Colonel Carlisle became a spokeswoman for nurses and other medical personnel with post-traumatic stress or other war-related adjustment issues. Instead of being rebuked by her upper command for openly talking about her experiences, Colonel Carlisle is praised for her efforts to encourage other troubled nurses and medical technicians to seek help. Colonel Carlisle helps to show our Airmen that she is a senior officer who has experienced the same feelings they may be having and they should feel comfortable talking about their experiences and feelings. We are changing our culture to promote the building of resilience, facilitate recovery, and support reintegration of returning Service members.

WAY AHEAD

The United States Air Force Nurse Corps consistently achieves excellence in all that we do. The use of professional clinical judgment in delivering evidence-based

care is essential in enabling our Airman and their families to improve, maintain, or recover health, and achieve the best possible quality of life. By partnering with our civilian institutions, Joint, and Coalition partners we are building the next generation of care and capability. As we step into the 21st century, we are forging our future by addressing our stressors, embracing our professional diversity, and fortifying our Total Nursing Force with education, training and research.

Mr. Chairman, and distinguished members of the Subcommittee, it is an honor to be here with you today and represent a dedicated, strong Total Nursing Force. Our Wounded Warriors and their families deserve nothing less than educated and skilled nurses and technicians who have mastered the art of caring. It is through the medic's character, compassion and touch that we answer our nations call to care for those who served yesterday, today and tomorrow.

Chairman INOUE. And now, if I may, I was in the Army about 69 years ago. That is a long time ago. And at that time, the highest-ranking nurse, I believe, was a colonel—one colonel. And in the hospital that I spent 2 months in Italy, the highest-ranking nurse was a major. The theater commander of the nurse corps was a lieutenant colonel. In the hospital in Atlantic City and Michigan, the highest-ranking nurse was a lieutenant colonel.

As we all know, in 2003, we made nurses two stars. Now I have been told that the Secretary of Defense has come up with efficiencies, and he recommends a reduction from two stars to one star.

I would just like to have your views, General Horoho.

General HOROHO. Yes, sir.

First, sir, I would like to thank you very much for the support because I would not be sitting here as a two-star general without your support. So, thank you.

We used the launching of the rank of two star to actually leader develop across all of our corps across Army medicine. We have right now nurses that are commanding at the level 2 command within the theaters of operation. We also have them commanding across Army medicine. We have nurses that have strategic input into decisionmaking at the strategic level, and so we now have I think a very competitive field for our nurses to be able to be competitive for branch materiel one star and then also at the two-star level.

Chairman INOUE. So, you are not in favor of the Department's recommendation?

General HOROHO. Sir, I will support the Secretary of Defense and his efficiencies, and I—

Chairman INOUE. You are a good soldier.

General HOROHO [continuing]. Am very, very grateful for the rank of two star. Thank you.

Chairman INOUE. Well, I will make certain you keep your two stars. I think it is about time we recognize the value of nurses. When I was in the hospital, other than the time spent on the operating table, in the wards I saw the doctor about once a week, nurses 24 hours per day. She is the one who provided minor surgery, all the medicine, all the care. But she was a second lieutenant. I think it is about time we recognize their value, and I think if a man gets two stars for commanding 10,000 troops, I think a nurse should get two stars for commanding 18,000 troops.

Senator MIKULSKI. Hear hear.

Chairman INOUE. That is how I get my votes.

Does the Navy support—

Admiral NIEMYER. Well, sir, I want to extend our grateful appreciation for the support you have provided to military nurses. It has enabled us to achieve both civilian nursing and military medicine respect commensurate with the rank of a two star, and the scope of responsibility of a two star as well.

I have had the unique opportunity of being able to be selected as a one star and work in a very challenging joint position, which I believe enabled me to better lead the Nurse Corps today. We are extremely grateful, and I, too, would not be sitting here as a two star without your support and this subcommittee's support.

Thank you.

Chairman INOUE. General, does the Air Force support two stars or one star?

MILITARY NURSING LEADERSHIP

General SINISCALCHI. Sir, military nurses will continue to provide the best patient care possible and will continue to lead at whatever rank we are asked to lead at. But having served as a two star, and I thank you for your continued advocacy for military nursing and for the support that military nursing received in 2003, to have the leadership position raised to a two star. And when you look at our scope of leadership and our scope of responsibility and for the Air Force having to include our total force Active, Guard, Reserve, officer, enlisted, and civilian, we are close to 19,000. And to provide policy and directives for a total nursing force of that size, the two star rank has served us very well. And it is commensurate given our total nursing force engagement in global operations. But we will continue to support whatever decision is made, sir. Thank you.

Chairman INOUE. Today's war has much trauma, brain injuries, multiple amputations, and it is a bloody war, much more severe than World War II. Are the nurses getting specialized training for this type of service?

General HOROHO. Mr. Chairman, we are looking at the Joint Trauma Tracking Registry System to get lessons learned, and we have changed, over these last several years, our training platform in the area of trauma nursing. We also made a decision with—over the last couple of years that every single nurse needs to be a trauma nurse. It is at our core competency. So, we have the combat trauma tactical course that our medics focus on. Everyone who deploys gets trauma training prior to their deployment, whether that is in San Antonio or it is in Florida at the University of Miami. And then we are constantly refining and looking out at what is occurring in the civilian sector, which is part of what develops our Virtual Leader Academy, is that we looked at competencies and capabilities, and we redesigned all of our training programs to better support the complexity of the wounds that we are seeing in this war.

Chairman INOUE. Before I call upon Senator Cochran, listening to our two ladies, I could not help but think about the trauma that families have to go through. For example, today a spouse can call her husband in Afghanistan every day—

General HOROHO. Yes, sir.

Chairman INOUE [continuing]. On a telephone that is not censored. Every evening she can watch CNN or whatever it is and see her husband's unit in action, and she has to sweat it out until the next day, and she does not hear from him. And you wonder why someone gets stress disorders. In my time, I made a telephone call before I left Hawaii. The next telephone call I made to Hawaii was 3 years later on my way home. The letters that I wrote to my family were all censored. All I could say was the food is terrific, Italy is a wonderful place, I love France and Paris—nothing about action or injuries.

I can understand why there are more suicides today. I can imagine coming back, getting together with your family and 6 months later have to ship off again. That is not the way to serve. We will have to do something about this.

What are the nurses thinking about stress disorder and suicides?

MENTAL HEALTH ISSUES

General HOROHO. I will let you, and then we will just kind of go down the line.

Admiral NIEMYER. Thank you, Senator.

The issue of families and our service members with post-traumatic stress and mental health is a concern for all of us. We have tried to build resilience programs, not just for the service members themselves, but for our families as well. I know we have FOCUS, which is Families Overcoming Under Stress for our Navy personnel and Marine Corps personnel, and use that as a training platform to discuss those issues proactively. The goal currently is to build resilience and strengthen our soldiers, sailors, airmen, and marines, as well as each other. And that is just one type of program that we are using to address the families.

We have also looked at building stigma reducing portals for our service members and their families to access mental health. An area where mental health psychiatric nurse practitioners are making a difference, as well as all of our mental health personnel, is to embed them in primary care areas where they are accessible to those that need them in an attempt to ward off and address those issues before they become problematic. Any one suicide is one too many, so building that resilience and looking proactively is one of the ways that we are trying to address that.

General HOROHO. Mr. Chairman and the subcommittee, part of what we learned over the last 10 years of supporting a Nation at war is that we cannot just treat the warrior, that we absolutely have to treat the family. And where social networking came in, which you mentioned, is that because of that, it connects the home to the battlefield, and all of the stressors that are at home are felt by the soldiers, and sailors, airmen, and marines, and Coast Guards that are deployed, as well as what is going on in theater is also known by the families.

A couple of things that we have done: We have implemented in nursing as part of all of this—we have implemented the Comprehensive Behavioral System of Care, which has five touch points. And we evaluate 100 percent, so to try to reduce the stigma, it is mandatory from our privates to our general officers to be evaluated by either a psychologist, a psychiatrist, a psych nurse practitioner,

or a social worker, and then primary care that are trained in behavior health. That evaluation then allows us to get them help as soon as possible if it is needed. We have also embedded our behavior health into primary care because what we found is a lot of our patients come in for healthcare, and it is a low back pain or maybe a headache when it really is something that has to do with stress or anxiety. Then when they are in the deployed theater and we have our nurses as part of the combat support teams, 100 percent are evaluated prior to them redeploying back. That information of whether they are high risk, moderate, or a low risk is then sent back to the installation that is going to receive them. And we have behavior health and nursing as part of that team. When we talk behavior health, it is the entire complement from our medics, our nurses, psychiatrists, psychologists, and social workers, so when I use that, that is the team that I am talking about. They evaluate at each one of those touch points.

We also found that we needed to leverage virtual behavior health when we talked about how difficult it is to be able to get a—national shortage of resources—how do we get that? So we leveraged virtual behavioral health, and we have over hired, and we have platforms in Europe as well as at Fort Louis, Washington, Walter Reed, and Brooke Army Medical Center, and then Eisenhower. And we use those electrons to be able to get healthcare to those that are needed. And when we marry the family up, what we are testing right now is using virtual behavior health and counseling of a family of children and the wife with a service member that is deployed to be able to keep continuity of care and look at trying to reduce the stressors of healthcare if we can deal with those issues now instead of delaying that till they redeploy back.

And then on the children's side, we are also working, and actually all of our services are working with us and Department of Defense, to embed behavior health into the school system so that we can help with the young children that are stressed because of either multiple deployments of their parents. And so that is part of our school-based programs that we are using as pilots across, and we are starting to see whether or not that impacts by being proactive.

Thank you, sir.

Chairman INOUE. Thank you very much.

General.

TIERED-BASED MODEL OF RESILIENCY

General SINISCALCHI. Sir, it is a very stressful time for our military members and their families. But what we are finding is that prevention is key, and it has to start from the very beginning and continue throughout their entire professional career.

We are looking at a tiered-based model of resiliency that incorporates multi-dimensions of human wellness from the physical to the social to the psychological and the spiritual. And our tier-based resiliency model begins from the beginning, whether it be in basic military training, technical training, and officer training. And we instill a culture of resiliency, recognizing signs and symptoms of post-traumatic stress, de-stigmatizing behavioral care, and encour-

aging our military members, their families, to seek behavioral health when necessary.

And as we continue throughout the professional career, we look at multiple points throughout the career to introduce training, whether it be through professional military education or through leadership training. And then as we identify groups that are at high risk for post-traumatic stress, for depression, for suicide, then the training and the education is tailored to them and their families to help minimize and help to moderate their risk.

We have used a Mortuary Affairs Model from Dover Air Force Base that has incorporated strength-based training and resiliency, and we incorporated that model throughout our different levels of command-based resiliency programs.

We have targeted pre- and post-deployment training, and while in theater, those individuals who have been serving outside the wire or have been exposed to multiple trauma, then as they pass through Germany, they go through our Deployment Transition Center, and that helps to prepare them as they go back to their families and to their bases. And it better enables them to reintegrate and rejuvenate as they come back from deployment.

We have reached out to our senior leaders, who have deployed and have experienced post-traumatic stress. And we have two of our senior leader nurse officers—critical care nurses, Lieutenant Colonel Mary Carlisle and Lieutenant Colonel Blackledge. And they came back from multiple deployments and recognized that they were experiencing signs of post-traumatic stress. And in our effort to incorporate behavioral health into our family home model and to de-stigmatize behavioral health, both of these senior nurses sought behavioral healthcare, and then decided to take their message forward. And they have produced videos in multiple forums. They have shared their experiences that not only they went through individually, but what their families also went through when it came to post-traumatic stress.

We recently had a nursing conference last week in Dallas, and Lieutenant Colonel Blackledge came and shared her message to close to 500 nurses and technicians. And we also had a social worker on site who met in small groups with our nurses and technicians recently coming back from deployment who experienced post-traumatic stress.

I think the best approach that we can take is the tiered model for resiliency, targeting those groups that are at high risk, de-stigmatizing mental health, encouraging all of our members to openly communicate when they are recognizing signs of stress, to focus pre-deployment, during deployment, and post-deployment, and then looking at success stories out there, which have been the Mortuary Affairs Group at Dover, and then emulating programs that they have put in place.

Chairman INOUE. Thank you very much.

General SINISCALCHI. Thank you, sir.

Chairman INOUE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, I have been impressed with the comments that I have read and the testimony that you prepared for our subcommittee before the hearing. And we thank you for that. I was particularly impressed with the training programs,

and I was looking at the Air Force experience as defined in your testimony that you prepared, General Siniscalchi.

We appreciate the fact that it does not just happen on instinct or spontaneous judgment, but a lot of people spend a lot of time drawing on their experiences and presenting it to others who would be confronted with long flight times coming back from combat areas, critically injured soldiers and sailors who have to have special care and treatment. And the scope and involvement of so many people in the success of these operations is really quite awesome. I cannot imagine any military force in the world being able to come close to what our military, and particularly the Nursing Corps in all of our services, have done to help make it such a successful and caring, lifesaving experience for many men and women.

Do you have any comments about that, and is there funding available in the request for funding that will continue these programs and help support what you have designed as the best that you know, the state of the art?

FUNDING TO SUPPORT AN INCENTIVE SPECIAL PAY PROGRAM

General SINISCALCHI. Sir, funding is available. Our Incentive Special Pay Program, first and foremost, is helping us to retain our clinical experts. So, being able to have funding to support an Incentive Special Pay Program is helping us to retain seasoned clinicians.

Our strength in the care that we are to provide and to have the successes that we—that you have just mentioned comes through our ability to build partnerships. As we continue to partner with our sister services in critical care training, as we continue to partner with academic institutions for our nurse transition program, we currently have partnerships at Baltimore, at St. Louis, University of Cincinnati for our C-Stars, our critical skills sustainment training. We have, again, academic partnerships and partnerships with civilian trauma centers that allow us to send our nurses into their facilities for sustained training. So our goal is to ensure that if we do not have robust training platforms within our military treatment facilities, that we establish robust partnerships with our sister services, with academic institutions, academic—or civilian trauma centers, and the VA so that we have a ready force with sustainment training, that we have platforms in place for going out the door so they can hone their critical care and trauma skills, so that we can continue to provide the care that we provide. But we do that through training affiliation agreements and robust partnerships.

Senator COCHRAN. Thank you.

Mr. Chairman, thank you.

Chairman INOUE. Thank you.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman.

First of all, I would like to say to the entire nursing leadership of all the services, we just want to thank you for what you do every day. Every day in every way, you do high tech and high touch patient-centered healthcare, and I just want you to know I think all the Members of the Congress, they do not thank you every week—we cannot thank you enough for what you do.

And, Admiral Niemyer, I understand you are a graduate of the University of Maryland. Is that right?

Admiral NIEMYER. Yes, ma'am. I am in your State. I am a home grown Annapolis girl.

Senator MIKULSKI. I know. I have got the accent, you know. We both have the same accent, and I graduated from the University of Maryland School of Social Work.

NAVAL BETHESDA—WALTER REED NURSE STAFFING

Admiral NIEMYER. Yes, ma'am, I saw that.

Senator MIKULSKI. I think we were a couple of yearbooks away from each other, but nevertheless, we were at the downtown campus.

I have two questions, one related to acute care, and then the other to this more chronic behavioral post-deployment care.

Admiral, we are going to be opening a Naval Bethesda Walter Reed, and my question is, number one, as we gear up, first of all, who is going to actually be in charge of the nursing clinical services? It is an unusual governance mechanism. We are looking forward to it. I am really excited about it. And, perhaps, General, you could help. Who is going to be in charge? And then the second question: Do you feel that as we are gearing up, that there will be adequacy for both nursing care as well as the very important Allied Health Services?

Admiral NIEMYER. Yes, ma'am. The current Director of Nursing Services at the now National Naval Medical Center, soon to be Walter Reed Military Medical Center, is Colonel Ellen Forster, she is an Army colonel. The nurses there, and at Fort Belvoir and Walter Reed, have blended nicely to create an executive nursing staff to work together. So, to answer your question, the governance and who is in charge of the nurses at Bethesda, it will be Colonel Ellen Forster. I believe she is here in the room today as well.

Senator MIKULSKI. Is she here? Could she hold up her hand? Well, we are glad to see you, and we will be out to see you.

Tell me about adequacy. Thank you.

Admiral NIEMYER. In terms of adequacy, from my understanding, yes. As we move the patients over, we have the nursing staff and the facility support to take care of the patients there. So, in terms of adequacy, I do not see any issues in bringing our patients and combining our patient force there.

Senator MIKULSKI. General.

General HOROHO. Ma'am, one of the things is looking a little bit broader than Walter Reed Military Medical Center is actually looking at Belvoir, because both Belvoir and Walter Reed are Tri-Service-based hospitals, and looking at an integrated healthcare system. And so, with that, one of the things that we did on the nursing side is we have already sent Army, Navy, and Air Force nurses to Champion training to support the Patient CareTouch System, to really look at providing one standard of nursing care, decreasing variance, and really focusing on the patient being in the center, and improving the health of the patient and their family members. So, I think adequacy of training is going to be just fine, and I actually think it may be expanded as we learn from each of our services

what we offer the best in a large beneficiary population in the National Capital Area.

Senator MIKULSKI. First of all, that is so heartening to hear. I go back, again, to the awful times of Walter Reed in 2007. And now we are looking ahead, and part of the looking ahead was not only the immediate treatment of acute care, which I think everybody says is actually stunning, stunning in the annals of medicine, military or civilian. It is truly stunning in battlefield to back home.

But I want to hear, if I could just for a minute, this Patient CareTouch System, because I think that was what I was trying to get at with General Schoomaker. It says patient advocacy, enhanced care team communication, clinical capacity, and evidence-based, which we want, and healthy environment. Could you describe for me, from the patient standpoint, what does that mean, because we hear touch tones, benchmarks, yadda yadda.

General HOROHO. Yes, ma'am. If I can back up first and just explain how we even came to develop the Patient CareTouch System. We actually looked across Army, Navy, and Air Force, and looked at what were the common elements of high-performing systems. We also then looked across the civilian sector to see the magnet hospitals and what did they have in common. And then we realized that there was not one system out there that put all of those elements together. So we developed that and we piloted it at Fort Campbell, Kentucky. And what we found is that we actually had an increase in patient satisfaction. We had an increase in communication between our clinicians and the ancillary staff and the physicians. We had patient involvement with the family members and positive feedback. We had a decrease in left without being seen in our emergency rooms. We had a decrease in medical errors. We had an increase in critical lab value reporting. So, all of our nurse-centric and nurse-sensitive measures we saw very positive outcomes. So, after we piloted that for about 9 months and made some adjustments is when we then developed the training program to support that.

And the Patient CareTouch System, what it does is it actually focuses on having the patient in the center of every touch point—every place, whether it is in the ambulatory arena or whether it is inpatient, that we make sure that the patient is involved in decisionmaking. We do hourly nursing rounds. We actually use white boards to communicate so that if family members come in, instead of the patient having to say, this is what the physician just told me, this is what the nurse just did, these are the reports we are waiting for, we take that burden off of our patient, and it is the clinical team working together, better communicating that information.

We also identified data mechanisms and data that we wanted to track that really led to positive outcomes in healthcare, because we needed to be able to say what is the value of nurses providing patient care, whether it is inpatient or outpatient? And how do I know, as the Chief of the Army Nurse Corps, whether or not we are making improvements in patient care? So, we have a database now that looks at the health of our patients, that the head nurse or the clinical officer in charge can look at their patient and see how they are doing in patient care performance. That is rolled up

to the Deputy Commander of Nursing, and then I across the Corps can then look at the health of our patients.

We also added a peer review, so if you look at our officer evaluation—

Senator MIKULSKI. My time is going to run out.

General HOROHO. I am sorry.

Senator MIKULSKI. But that is the evaluation.

General HOROHO. There is a lot. There is a lot—

Senator MIKULSKI. I am going to stick to—well, what I would appreciate, because the chairman has been generous with my time, though I know he is very passionate about this because it is the follow through. As nurses, social workers, we say this. It is not only when they are in the ER or the OR, it is the rest of the R; it is rehabilitation, it is follow through, it is the management of chronic pain, etc.

What I would like is a white paper actually, or any color—a paper describing really what it is and what it does, and perhaps some casing samples, I think in case examples, which I think you do, too, in addition to this epidemiology and all you are looking at. So, I really would follow this through because I think you are on to something, and I think you are on to exactly what I am on to, that you need a patient advocate and all the way through inside. So, let us work together.

[The information follows:]

A top to bottom review of Army Nursing revealed that high quality care was being delivered but that it varied from facility to facility. The variability challenged patients, their families, and the nurses providing care. Notable in this review was the impact that the high technology environment had on patient care and a shift from those things that are considered unique to the art of nursing.

The Patient CaringTouch System was developed in order to optimize care delivery. A pilot program was conducted at Blanchfield Army Medical Center in 2008 and this pilot revealed performance improvement across multiple dimensions within 6 months of implementation, and suggested that broad implementation of the Patient CaringTouch System can create real value for Army Medicine. The following areas showed statistically significant improvement: (1) Decreased medication errors, (2) decreased risk management events, (3) decreased left without being seen from the emergency department, (4) increased pain reassessment, (5) increased critical lab reporting, (6) increased nurse retention and intent to stay

The Patient CaringTouch System is what Army Nursing (AN) believes and values about the profession of nursing, delineates AN professional practice, articulates a capability-building and talent management strategy to ensure the right quantity and quality of AN leaders, and describes how AN delivers evidence-based care in accordance with best practice standards across care environments.

Senator MURKOWSKI. I worked with your predecessors on the nursing shortage. We want to continue that. And we have a real champion in Senator Inouye. We all—we are all in love with Senator Inouye. And—but we want to thank you again for your service and look forward to working with you.

General HOROHO. Thank you.

Admiral NIEMYER. Thank you, Senator.

Chairman INOUE. Thank you very much.

Senator Murkowski.

SEXUAL ASSAULT

Senator MURKOWSKI. Thank you, Mr. Chairman. And I appreciate the time that the subcommittee has given to this very important testimony here today. Thank you all again for your service.

I want to ask a question this morning about military sexual trauma. The fact that the three of you, this panel, is all female has nothing to do with my question. I had actually hoped to ask it to panel one, but I ran out of time. So, but it is equally applicable from the nursing perspective as well.

As you are aware, the Women's Veterans Health Care Improvement Act put these new responsibilities on the VA to care for our discharged members of the armed forces who are suffering from military sexual trauma. The question to you all is, are we doing enough within the military medicine field here to identify, to treat these cases of military sexual trauma at the time that the service member has been victimized, or is this going to be a situation where the treatment for these individuals will be at the end when the service member is now part of the VA system and then discharged? And then, in addition to answering that question, if you will, are we doing okay, I guess, in terms of maintaining the records that we will need in determining the incidence of military sexual trauma and the outcomes in treating these victims? Is the process set up to work, and then, again, are we tending to the situation at the time that the sexual trauma has occurred, or are we waiting until this individual is part of the VA system? So, if you could just very quickly—and I recognize that this is an issue of time here this afternoon, but this is a very important issue, I think, as we know within all branches of our service right now. And I will throw it out to anyone who wants to start.

Admiral NIEMYER. I would be happy to just make a comment. I think the issue is so much broader than the medical parts, and although I cannot speak directly to your question about the records at this point, I would be happy to provide that back as a Navy response.

The issue is so much broader than medical, and even today, I read this morning a white paper on sexual trauma. We have not progressed where we need to be. It is still a prevalent issue, and despite much of the training that we have done and the focus, it still remains an issue.

That being said, I think we are doing a great deal in the military today with our line leadership to highlight this very prevalent issue and to focus on decoupling the alcohol incidence that at times accompanies sexual assault. We have a zero tolerance in the Navy, and I know for the other services as well.

So, I can speak on the broad sense and would be happy to provide a more detailed medical response on that. But like suicide, any assault, and any particularly when it is our own folks, it is something that we clearly have zero tolerance for.

Senator MURKOWSKI. Oh, I would welcome a follow-up from you from the Navy's perspective if I could.

Admiral NIEMYER. Yes, ma'am.

[The information follows:]

Senator, Navy Medicine has taken an active role in supporting victims of sexual assault through the provision of medical care and the ability to support legal action by the completion of a sexual assault forensic examination when a victim presents to our facilities after an assault. Specific Navy Bureau of Medicine and Surgery (BUMED) initiatives include the establishment of a training program on the sexual assault forensic examination for medical providers stationed at overseas (OCONUS) commands. Not all of our medical treatment facilities (MTFs) within the United

States offer in-house forensic evidence exams after an assault, but great care has been taken to establish Memorandums of Understanding (MOUs) at high-quality civilian facilities to meet this need. In addition, BUMED has initiated a study with the Center for Naval Analysis to gain understanding why some victims are choosing not to seek medical care or have a forensic examination at the time the assault occurs. Interventions will be initiated based on the finding of the study.

The incidence and tracking of sexual assaults is reported via two sources. Naval Criminal Investigative Services reports and tracks unrestricted cases and the Sexual Assault Response Coordinators monitor and track the cases for victims who choose a restricted report. The challenge of accurate record keeping in the Navy is two pronged. First is the issue of under reported data. As many victims of sexual assault, both in the military and our society in general, continue to be concerned with the stigma associated with the crime and the fear of privacy breaches. Second, and specific to Navy Medicine, is the electronic medical record. Currently the required documentation for the forensic medical exam is Defense Form 2911 (per the DOD-I 6495.02). This form is not in electronic format but requires a scanned entry to be maintained in the electronic medical record, which is happening.

Navy Medicine has an important and specialized role in caring for sexual assault victims. Our care for sexual assault victims encompasses the full scope of medical and psychological care with a priority on care that includes access to personnel trained to perform forensic examinations and psychological care aimed at providing the means to resume a healthy lifestyle. We realize that sexual assault affects more than just our Sailors and Marines. Sexual assault erodes unit cohesion, denigrates Navy core values and can adversely affect fleet readiness and retention. We allow victims of sexual assault the right to choose the option for care that is best for them, allowing them time to regain control of normal life functions. Our leaders are highly encouraged to use Sexual Assault Awareness Month to further educate sailors about the Navy sexual assault prevention and response program to include the role of medical personnel. Posters, educational leadership guides and other materials are readily available for download to assist in providing quality educational programs, encouraging an emphasis on a climate that values responsible behavior and active intervention. Navy Medicine, along with all Navy leaders stands ready to meet the challenge of eliminating sexual assault from our ranks.

Senator MURKOWSKI. General.

General HOROHO. Ma'am, we started about 2 years ago with Secretary Geren of having a campaign to increase awareness, that it really was an affront to our warrior ethos, whether it is a female being assaulted, or if it is a male being assaulted. So we looked at it with both demographics.

I believe we have enough trained counselors to provide that level of care. Part of it, though, is creating that safe environment for people to feel comfortable coming forward, which is what you are talking about, the early intervention. And I think that is a work in progress, to be perfectly honest.

We have also worked very closely with the VA. We have a midwife, Colonel Carol Hage, who actually works at the Office of the Surgeon General that has established a partnership with the VA to look at women's health issues, and this is one piece of that, because the demographics of the VA have changed, and then the impact of deployment with behavioral health and other issues, we wanted to make sure that we had the right programs in place to support. So we are evolving as time goes on.

Senator MURKOWSKI. Are you satisfied with the records that are being kept at this point, or do you know?

General HOROHO. Ma'am, if they come in and it gets into our electronic health record, then absolutely it is being documented and it is being kept in the system. And then we have got a lot of work that is being done right now with DOD partnering with the VA so that we have one electronic health record sharing that information.

So, I think once it is in the system, it is absolutely in the system and is being maintained.

INCIDENCE OF SEXUAL ASSAULT IN THE MILITARY

Senator MURKOWSKI. We've got to get in the system.

General HOROHO. Yes, ma'am.

Senator MURKOWSKI. General.

General SINISCALCHI. Thank you, ma'am, for your question. And we all are concerned about the incidence of sexual assault in the military.

In 2004, General Casey McLean from the Air Force was charged to stand up a task force, and did a remarkable amount of work to advance training and prevention regarding sexual assault. As a result of the work done by the group that she led, we moved to restricted and unrestricted reporting of sexual assault. There had been numerous years from this initial task force where the Air Force focused on various training programs, various approaches to reduce sexual assault, and ways to advance treatment when sexual assault did occur, and then focusing on restricted and unrestricted reporting.

Now in 2010, there was a Gallup survey that the Air Force did to establish a baseline looking at the incidence of sexual assault. When the results of that Gallup survey came out, there was a Sexual Assault Prevention Council that was stood up, and I was asked to represent the medical—surgeon general—on this council. So, this group of senior leaders did a very in-depth analysis of this Gallup survey, the result. And what we found was that once a sexual assault occurs, that across 100 percent of our military treatment facilities within the United States, overseas, and at deployed locations, that we have the appropriate response teams in place, whether they be sexual assault forensic examiners, sexual assault trained nurses, or sexual assault examiners, that they are either within the facilities or that we have memorandums of understanding established with a civilian facility to provide that level of response.

And so, the response to a sexual assault, we have made tremendous strides. When it occurs, the care—the immediate care—we found that one of our longest treatment lines to response was at one of our overseas locations, and that treatment was still under 2 hours. We have really made great strides in treating sexual assault.

However, what the Gallup report showed is that there still is significant improvement that needs to be made when it comes to prevention and training. Our working group is now looking at ways to enhance training and areas that were identified focused on leadership. We are looking at training programs, whether they be through, you know, modular training, distance learning programs, face-to-face training, to enhance awareness and sexual assault training, and then put better programs in place that focus on prevention.

Senator MURKOWSKI. Well, I appreciate what you have provided me. If there is any follow-up that you can offer, I would be interested in that as well. I often wonder whether the same stigma that attaches to just the need for services for behavioral health might

also attach when it comes to issues as they relate to sexual trauma, sexual harassment, because that is also part of what we deal with within the definition of military sexual trauma. And it is something that as we think then as to the treatments beyond, again, it is not just the physical, but it is as we deal with those mental health issues that may last for considerable periods of time. So, this is an issue that I appreciate your attention to and to the surgeon generals that I know are all still here. I thank you for that. But any efforts that we can make to improve this is greatly appreciated.

With that, I thank the chairman and the vice chairman.

Chairman INOUE. Thank you very much.

ADDITIONAL COMMITTEE QUESTIONS

General Schoomaker, Admiral Robinson, General Green, General Horoho, Admiral Niemyer, and General Siniscalchi, thank you very much for your testimony, and, above all, thank you for your service to our Nation.

[The following questions were not asked at the hearing, but were submitted to the Department of response subsequent to the hearing:]

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL ERIC B. SCHOOMAKER AND MAJOR GENERAL PATRICIA HOROHO

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

SOURCES OF HELP FOR SERVICEMEMBERS AND THEIR FAMILIES

Question. General Schoomaker, are there efforts within the Department of Defense and amongst the Surgeons General to coordinate their approach on access to psychological healthcare needs and work towards one dedicated DOD Web site and phone line for all services?

Answer. The Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (DCoE) is the Department of Defense (DOD) effort to coordinate psychological healthcare needs for servicemembers and their families across all services. The DCoE was established to assess, validate, and oversee prevention while facilitating the resilience, recovery and reintegration of servicemembers and their families needing help with psychological health and traumatic brain injury. The DCoE Web site (www.dcoe.health.mil) has a wealth of information to include information on the 24/7 outreach center. This center can be reached via phone at 866-966-1020, email at resources@dcoeoutreach.org, or via live chat.

Military One Source is a single virtual portal to behavioral health (BH) care to meet the needs of all servicemembers and their families, including Guard and Reserve, regardless of activation status. This DOD level resource serves as an extension of installation services to improve access to BH care while reducing stigma.

PSYCHOLOGICAL HEALTH

Question. General Schoomaker, there has been an effort to expand psychological treatment options across the Army healthcare system. How is the Army providing expanded access to these services, both for soldiers and their families?

Answer. In the past year the Army implemented the Comprehensive Behavioral Health System of Care Campaign Plan. This initiative is nested under the Army Campaign Plan for Health Promotion, Risk Reduction and Suicide Prevention. The Comprehensive Behavioral Health System of Care is intended to further standardize and optimize the vast array of behavioral health policies and procedures across the Medical Command to ensure seamless continuity of care to better identify, prevent, treat and track behavioral health issues that affect soldiers and families during every phase of the Army Force Generation cycle.

The U.S. Army Medical Command currently supports over 90 behavioral health programs. The "Virtual Behavioral Health program for Redeploying Soldiers" (VBH) was established to maximize behavioral health assets and modern communications technology to provide uniform contact with all redeploying soldiers. VBH is meant to provide a positive experience for soldiers, so that they are more likely to seek

behavioral health assistance in the future if needed. Additionally, the Army is enhancing behavioral health services provided to its Family members through Child, Adolescent and Family Assistance Centers and the School Behavioral Health Programs.

In theater there has been a robust Combat and Operational Stress Control presence since the beginning of the war, with deployed behavioral health assets supporting both Operation Enduring Freedom and Operation New Dawn. Beginning in fiscal year 2012, the Army will increase behavioral health teams assigned to all its brigade size operational units. The increase will provide two behavioral health providers and two behavioral health technicians assigned to every Brigade Combat Team, Support Brigade and Sustainment Brigade in the Active, Reserve and National Guard Army inventory. The process will be complete by fiscal year 2017 and increase the total available uniformed behavioral health force by over 1,000 additional personnel.

PATIENT CENTERED MEDICAL HOMES

Question. General Schoomaker, the Army's new community-based medical homes are located off-post in communities in order to provide increased capacity for primary care. How is the Army expanding this program and when will it be available service-wide?

Answer. By the end of fiscal year 2011 the Army will have opened 17 Community Based Medical Homes (CBMHs) in 11 markets. Two additional CBMHs will open in early 2012 bringing the total to 19 clinics in 13 markets and complete phase 1 of the project. Phase 1 focused on meeting the primary care needs of our active duty family members. Once our CBMHs are proven to achieve desired results (improved access, satisfaction and health, and reduced utilization and cost), the Army plans to expand our community based presence. Phase 2 of the project will move some primary care services off-post to generate on-post space for specialty services and Warrior care. By doing so we will be able to better leverage our advanced on-post medical infrastructure, consolidate on-post services, and achieve the advantages of CBMHs. Phase 2 will begin in late 2012. Phase 3 of the project will explore opening additional services such as physical therapy, obstetrics, pediatrics, imaging, and refill pharmacy in community-based settings to generate positive value for DOD. Phase 3 planning will begin in late 2011 with clinic expansion possible by 2013.

RECRUITMENT AND RETENTION

Question. General Horoho, as the United States enters our tenth year of intensive combat operations, nurses have been heavily engaged in both wartime and humanitarian missions. How has the deployment tempo of nurses serving in critical nursing career fields affected the ability of the Army to recruit and retain nurses in these particular high demand fields?

Answer. Six month deployments were initiated in summer of 2008 which has had a positive effect on improving and maintaining the resiliency among Army critical care nurses. These deployments are better for the nurses and their Families. The critical care nurses as a group are very resilient and the majority do well post-deployment. In fiscal year 2010, the Army was able to recruit 642 nurses, meeting 105 percent of its active duty need and 94 percent for the reserve. This includes some precision recruiting of experienced critical care nurses.

NURSING RESEARCH

Question. General Horoho, I understand that the Army Nurse Corps has realigned nursing research assets, has embraced evidence based practice, and is an active participant in the TriService Nursing Research Program. How has this impacted nursing research opportunities in the Army?

Answer. Army Nursing follows the American Nurses Association research participation guidelines that it is the expectation that nurses at every level participate in research activities appropriate to their educational preparation. Every nurse is involved in Evidence Based Practice (EBP) of which, research is one component.

We are building a culture in all nurses at all levels that evidence drives practice. The goal is to have a core group of champions at all levels to sustain the application of research and use of evidence. EBP is built into curriculum at every level for Army professional nursing courses. This includes EBP and research lectures to the Clinical Transition Program, hospital or facility orientation, all specialty courses (Intensive Care Unit, Perioperative) and preceptor training. Army nursing has the support of Tri-Service Nursing Research Program in EBP and research grant camps.

NURSING ISSUES

Question. General Horoho, are Army military treatment facilities staffed to the actual patient load or to the number of beds?

Answer. The Army staffs to nursing care hours, the same as both the civilian community and Veterans Administration, using a research-based workload management system which adjusts for complexity of patient care and type of nursing care provider required.

Question. General Horoho, nurses working in patient care areas often voice concerns that there are not enough nurses performing patient care duties. What is the ratio of Army nurses delivering traditional hands on nursing care to those conducting research, performing administrative duties or involved in functions that are not directly involved in the delivery of patient care?

Answer. The ratio of nurses delivering direct patient care vs. research and administrative duties is approximately 5:1 or 83 percent.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

MEDICAL COMMUNITY

Question. General Schoemaker, when the Army made the decision to “Grow the Force,” did it factor the size of its medical community into its billet needs? Was military construction for medical facilities factored into this process?

Answer. Yes, the U.S. Army Medical Command (MEDCOM) participates in the Total Army Analysis (TAA) which is a phased force structure analysis process. Furthermore, MEDCOM employed a multi-factorial process in determining specific needs to support Grow the Army that included population changes, access to care challenges, network availability, the inability to hire civilian staff, medical treatment facility productivity and new operational requirements. Military construction of medical facilities was factored into the process.

Question. How has the Army evaluated the capacity of its medical community against the current and future structure?

Answer. The Army evaluates capacity annually using the enrollment capacity model (ECM). Inputs to the ECM are current and expected force structure, productivity benchmarks, and expert clinical input. The ECM allows the Army to project needed or unused capacity for all Army military treatment facilities to meet the needs of its beneficiaries.

MENTAL HEALTH

Question. Does the Army have enough mental health providers to meet soldier and family member needs?

Answer. While the Army has increased its behavioral health inventory by 90 percent since 2007, we still do not have enough providers and continue to work toward hiring more. As of February 2011, the Army had 4,998 behavioral healthcare providers. The current estimated active component Army behavioral health requirement is 6,107 providers, which represents an unmet requirement of 1,109 providers.

Question. If there is a gap in mental health providers, what efforts are being taken to get more providers in the system?

Answer. The Army is using numerous mechanisms to recruit and retain both civilian and uniformed behavioral health (BH) providers including bonuses, scholarships, and an expansion in training programs. The U.S. Army Medical Command has increased funding for scholarships and bonuses to support expansion of our provider inventory and provided centrally funded reimbursement of recruiting, relocation, and retention bonuses for civilian BH providers to enhance recruitment of potential candidates and retention of staff. The Army expanded the use of the Active Duty Health Professions Loan Repayment Program and offers a \$20,000 accessions bonus for Medical and Dental Corps health professions scholarship applicants; has allowed recruitment of legal non-resident healthcare personnel to fill critical shortages; used a one-time Critical Skills Retention Bonus (CSRB) for social workers and BH nurses and the Army Medicine CSRB for clinical psychologists; and implemented an officer accessions pilot program that allows older healthcare providers to enter the Army, serve 2 years, and return to their communities.

Additionally, in partnership with Fayetteville State University, MEDCOM developed a Masters of Social Work program which graduated 19 in the first class in 2009. The program has a current capacity of 30 candidates. This program is fully funded by the Army with all graduates incurring a 62 month service obligation. To improve the accession of Clinical Psychologists, MEDCOM increased the number of

Health Professions Scholarship Allocations dedicated to Clinical Psychology and the number of seats available in the Clinical Psychology Internship Program.

Question. What programs are being undertaken to address the mental health needs of spouses and dependent children?

Answer. The Army has an extensive array of behavioral health (BH) services and resources that have long been available to address the strain on military Families. These services include but are not limited to routine BH care, Chaplains, Military One Source, Comprehensive Soldier Fitness, Psychological School Programs and Army Community Service (ACS), Family Assistance for Maintaining Excellence (FAME), and the Warrior Resiliency Program (WRP). New initiatives include the Comprehensive Behavioral Health System of Care Campaign (CBHSOC) and our Child and Family programs available through the Child, Adolescent and Family Behavioral Health Office (CAF-BHO).

The CAF-BHO is the lead office within the Army Medical Command (MEDCOM) for integrating and coordinating Child and Family BH programs. CAF-BHO promotes optimal military readiness and wellness in Army Children and Families through the Child and Family Assistance Centers (CAFAC), School Behavioral Health (SBH) and Medical Home BH support. Plans are being considered to implement CAFACs and SBHs across the Army to meet the goals of the Army's CBHSOC Plan.

CAFACs provide cost-effective, comprehensive, integrated BH system of care to support military Children, their Families, and the Army Community throughout the Army Force Generation (ARFORGEN) and Family Life Cycle. CAFACs focus on coordinating, integrating, and synchronizing available BH and related services on an installation, and filling identified service gaps. The programs use a Public Health Model continuum of care, focusing on prevention and early intervention to promote wellness and resilience, and providing a higher level of BH care when needed.

SBH programs provide cost-effective, comprehensive BH services to support military children, their families, and the Army community in schools. The overarching goal is to facilitate access to care by embedding BH within the school setting, and to provide state of the art prevention, evaluation, and treatment through standardization of SBH services and programs. Services are directed at improving student academic achievement, maximizing wellness and resilience of Army children and families, and ultimately promoting optimal military readiness.

ALTERNATIVE TREATMENT

Question. What efforts are being taken to provide for alternate sources of pain management? Has the Army looked at civilian best practices? What are their plans for incorporating them?

Answer. The U.S. Army Medical Command (MEDCOM) Comprehensive Pain Management Campaign Plan (CPMCP) is a phased effort that has been working to standardize pain care across MEDCOM, establish interdisciplinary pain centers in each Regional Medical Command, de-emphasizing medication-only treatment of pain, address the challenge of poly-pharmacy with improved oversight of those on multiple medications, and improve access to non-medication pain treatments—complementary and alternative medicine (such as acupuncture, massage therapy, and movement therapies such as yoga).

Expanding the availability of non-medication approaches for pain management has been an area of special emphasis and careful execution. The Army has continued to reach out to civilian experts who have had experience and success in incorporating integrative medicine into their medical practices and healthcare systems. Clinical practice and research initiatives with Samuelli Institute and Bravewell Collaborative are two examples of the MEDCOM's ongoing collaboration with civilian experts.

MEDCOM has also been developing a model for MEDCOM/Veterans Affairs/civilian academic medicine pain management consortiums. These collaborative efforts have been developed to share clinical expertise, best practices, and education/training opportunities across these organizations. The first of these consortiums is located in the Seattle, Washington area and involves Madigan Army Medical Center, Puget Sound Veterans Affairs Hospital, and University of Washington Center for Pain Relief.

TASK FORCE TREATMENT

Question. I am concerned about the increasing amputation rates among servicemembers and understand there was a task force recently established with experts in trauma, orthopedic surgery, wound patterns and analysis and rehabilitation specialists.

What is the status of this task force?
 What best practices have been identified with treating these casualties?
 What do these trends mean for future combat care?
 Is there any applicability to civilian trauma care? Has the Army looked at public-private ventures to create more training opportunities for state-side medical personnel?
 Have any additional methods been identified to prevent, protect and reduce the impact of these injuries?

Answer. The Dismounted Complex Blast Injury Task Force was established in early February 2011 and recently completed an analysis of trauma data that addresses many of these concerns. The Task Force report is nearly complete and will include recommendations on the best clinical practices to care for these soldiers and their families from the point of injury and throughout the evacuation, care, and rehabilitation continuum. The report will also include recommendations for future combat care and protection of our Warriors, and strategies for the mitigation of injury severity.

These injuries represent the extreme of combat injuries, and go far beyond the most severe injuries ever encountered in civilian trauma. Our surgeons and rehabilitation experts have the most current experience in these uncommon injuries. Where we rely upon civilian expertise and cooperation is in the area of regenerative medicine approaches, skin and muscle reconstruction and associated rehabilitation.

MEDICAL TRAINING

Question. The Army is producing medics with a wealth of experience in a variety of medical specialties like trauma care. Has there been any effort to align training programs with civilian training requirements? If no, then why not?

Answer. The Army aligns training programs with civilian training requirements in areas where civilian requirements match military medicine mission. Applying civilian trauma care principles without adapting them to the tactical environment is not only frequently ineffective but may lead to more casualties. In October 2001, evidence based research drove the Army to incorporate the National Registry of Emergency Medical Technicians—Basic (EMT-B) as the necessary baseline for all students of the U.S. Army Combat Medic course. This program emphasizes increased trauma training by incorporating a standardized, externally validated civilian curriculum into the Army's program. National certification is a Combat Medic (68W) graduation and sustainment requirement. The basic skills of the Combat Medic overlap with competencies of the EMT-B; however, the Combat Medic has been trained to be more uniquely skilled and capable of providing advanced combat casualty care. Care in combat is focused not just on injuries suffered by the soldier but on the tactical situation surrounding the event. The Department of Combat Medic Training holds annual curriculum committee meetings to assess training needs, considering civilian training requirements, evidence-based research, and lessons learned.

ACQUISITION COMMUNITY INTERACTION

Question. How well does your medical community interact with your acquisition community? As different injuries are identified as prevalent within your service, what are the procedures to work with the acquisition community to acquire equipment, tools, or clothing to limit or prevent these injuries?

Answer. The U.S. Army Medical Department (AMEDD) is fully integrated with the Acquisition community under the DOD 5000 process which governs and implements policies of the defense acquisition system. The U.S. AMEDD Center and School serves as the Combat Developer defining requirements and the U.S. Army Medical Research and Materiel Command (USAMRMC) serves as the Materiel Developer providing materiel solutions. The Commanding General, USAMRMC, serves as the Deputy for Medical Systems to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology (ASA(ALT)). In this role the Commanding General, USAMRMC, is the senior medical officer providing information to the ASA(ALT) regarding medical acquisition initiatives and the medical implications of non-medical acquisition initiatives.

There are multiple ways that the needs identified on the battlefield are incorporated into the acquisition process to include working with the Rapid Equipping Force, the Army Materiel Command's Forward Area Support Team—which is deployed in Theater and includes at least one medical representative, the Combatant Command Technology Assessment and Requirements Analysis, the other services, and the operational needs statement process to name a few. In each initiative mentioned above, personnel closely affiliated with the acquisition community are inti-

mately involved with every step of the process from capturing the Warfighter's requirements, through fielding a potential solution. Each of these initiatives complements the traditional acquisition process and allows the AMEDD to respond to Warfighter identified needs in a timely and controlled fashion. The Army utilizes the Joint Theater Trauma Registry to analyze the types and trends of injuries and the causes to inform the developers on improving operational approaches and materiel solutions.

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

ELECTRONIC HEALTH RECORD

Question. Secretary Gates and Secretary Shinseki recently announced that the Department of Defense and the Department of Veterans Affairs will develop a joint electronic health record. On April 1, 2011, the Department of Veterans Affairs also announced that it will form an open architecture community around the VA's electronic health record, VISTA. Are these the same thing or will each Department still keep its own version of VISTA and AHLTA?

Answer. Yes, these are the same. Secretary Gates and Secretary Shinseki met in March and agreed to a joint electronic health record called iEHR (integrated electronic health record) that will replace VISTA and AHLTA.

Question. Do the Departments envision the joint electronic health record replacing VISTA and AHLTA?

Answer. Yes, Secretary Gates and Secretary Shinseki met in March and agreed to a joint electronic health record called iEHR (integrated electronic health record) that will replace VISTA and AHLTA.

Question. When will the Departments release details and a comprehensive plan forward on the joint electronic health record?

Answer. The two Departments will meet over the coming months to develop a comprehensive implementation plan. Once complete, we envision the plan and details will be released by the Departments.

QUESTIONS SUBMITTED TO VICE ADMIRAL ADAM M. ROBINSON, JR.

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

SOURCES OF HELP FOR SERVICEMEMBERS AND THEIR FAMILIES

Question. Each service has taken a different approach to address the psychological health needs of their service members and their families. In addition, the Department of Defense and the Tricare contractors have also instituted programs to help provide this type of care. Rather than streamlining those services, new Web sites and phone lines are created. On top of those efforts, the private sector, the Department of Veteran's Affairs, and non-profits are all trying to address these issues. This is all well intended but more often than not it is challenging for servicemembers and family members to guide their way through a maze of avenues to seek for sources to help.

On one Navy pamphlet to combat operational stress there are 16 different Web sites and phone numbers and on another there eight. Each one has very little information associated with them, forcing the individual to access each Web site to decipher if that meets their needs. One Air Force pamphlet has 13 and on one Army pamphlet there are 19. People seeking help should not have to go through a maze like this.

Admiral Robinson, as I mentioned in my opening statement it can be quite confusing for a servicemember who is seeking help to deal with combat stress or other psychological health needs. On one Navy pamphlet provided to me there is a list of 16 different Web sites or phone numbers for sources of help. It takes so much to get someone to seek the help they need, we don't want to discourage them by making it difficult to find the appropriate help. Could you explain how you are attempting to consolidate these efforts and make the process less confusing for those that need it?

Answer. The Navy is committed to fostering a culture that promotes resilience and wellness, and that empowers leaders to ensure the health and readiness of service members and their families. We concur that there have been a proliferation of services available to service men and women affected by post traumatic stress and traumatic brain injury. We must balance the desire to provide service members with

options; understanding that one size does not fit all, with the possibility of creating confusion by providing too many alternatives.

To address this issue we are working with the Naval Center for Combat and Operational Stress Control (NCCOSC) to develop consolidated strategic communications for psychological health initiatives across the Department of the Navy. Similarly we are working with the Defense Center of Excellence to consolidate resources and Web sites supported by the Military Health System and Department of Defense.

Furthermore, across DOD strides are being taken to address efficiencies within the multiple programs offered to our wounded, ill and injured service members. The Department of Defense (DOD) Task Force on the Care, Management and Transition of Recovering Wounded Ill and Injured Members of the Armed Forces, also known as the Recovering Warrior Task Force (RWTF) provides DOD with advice and recommendations on matters related to the effectiveness of the policies and programs developed and implemented by DOD, and by each of the military services in caring for our wounded, ill and injured service members. The goal of this task force is to look at best practices and various ways in which DOD can more effectively address matters relating to the care, management, and transition of these warriors.

RECRUITING AND RETENTION

Question. The Air Force is short surgeons, family practitioners, clinical psychologists, and technicians. In addition to compensation, the Air Force identifies the lengthy hiring process for both officers and civil service health professionals as a top recruiting challenge.

The Army faces personnel shortages in numerous healthcare specialties including: neurosurgeons, nurse anesthetists, behavioral health experts, physical therapists, oral surgeons, and others. Some of these areas are staffed at less than 50 percent of need. The Army is seeking to increase compensation for critical skills to reduce the gap between civilian and military pay, as well as leverage its Health Professions Scholarship Program.

Overall, the Navy has somewhat improved recruitment and retention of medical officers over the last 3 years. The greatest challenges remain in the areas of general surgery, family medicine, oral surgeons, general dentists, and psychiatry. The problem is more severe in the reserve component.

Admiral Robinson, some medical specialties are severely understaffed, particularly in the reserve component. For example, less than one-quarter of critical care medicine and cardiology positions are filled. How is the Navy ensuring that it has the number of reserve physicians it needs?

Answer. Direct appointment recruiting of physicians and dentists remains a challenge, primarily because these healthcare professionals have well-established medical practices and are very well compensated in the civilian market. Interrupting their civilian medical careers is often personally and financially unattractive to many private medical providers. Additionally, retention has improved in the active forces, reducing Navy Veterans available for Reserve appointments.

We are developing incentives within budgetary constraints to target specific communities that are, and will remain, critical to our mission. A credible recruiting bonus is critical and remains the primary incentive to attracting these professionals.

We have collaborated with Navy Recruiting Command at a recently held Medical Stakeholders Conference and have developed a Medical Professionals Task Force Charter group in an effort to improve access and to collaboratively market targeted specialties to achieve recruiting goals. Working closely with Navy Recruiting Command, we have also restructured the Training Medical Specialties Drilling option (one of the most successful Physician recruiting options) to ensure the program is meeting the needs of Navy Medicine as well as attracting candidates.

Despite these Reserve shortages, Navy Medicine continues to meet its global commitments in support of all contingency operations.

MILITARY MEDICINE

Question. Since fiscal year 2010, the Department of Defense (DOD) has requested funds for the advancement of military medicine. Prior to that, the majority of these funds were provided to the Department through earmarks and nationally competed programs added to the Defense budget by Congress. In the fiscal year 2012 budget request the Department is requesting \$438 million through the Defense Health Program and the Defense Advanced Research Projects Agency (DARPA) to further these efforts.

Admiral Robinson, we are currently investing in medical research applicable to the needs of our current warfighter but what do we know about the issues we might face in the future and how are we attempting to stay ahead of that curve?

Answer. In my testimony, I outlined a strategic vision for Navy Medicine that keeps us as a world leader in patient and family centered medical care. We manage the spectrum of current needs, while ensuring that the urgencies of the present do not diminish the intensity of our focus on the future. That focus is a critical element of our RDT&E and medical education vision and mission.

One-third of our research portfolio of over 1,200 individual research studies is focused on the delivery of technologies to the Warfighter in the near-term through advanced development. Another third targets the next 10 to 20 years (technology development), with the balance addressing technology innovation for 20 to 50 years out (basic research). Where appropriate, this research is executed both at our research and development facilities in CONUS and overseas as well as in our Medical Treatment Facilities (MTF) by our experienced clinicians and our most promising graduate trainees, where appropriate. Navy Medicine demonstrates excellence in research in each domain. While our research focuses on Navy and Marine Corps requirements, our efforts complement and are closely coordinated with our sister services, the Defense Health Program, and DARPA.

We are expanding the envelope of the possible, providing technologies, procedures, and practices that promote reintegration of our wounded warriors into productive roles in the services and in society. We will continue to expand on our progress in the areas of rehabilitative and regenerative medicine. The revolutionary advances we have made in wound management are a prelude to upcoming developments in prosthetics, transplantation, and regeneration.

We recognize the critical role personalized medicine will play in maintaining the capabilities of our Fleet and Marine Forces. With small unit, agile forces on the ground and reduced manned ships at sea, the importance of each individual is magnified. Our progress in individualized medical care, personalized health maintenance and promotion, and enhanced individual and unit readiness will play a critical role in the future effectiveness of the DOD.

History tells us that during peace-time and during armed conflict, more of our service members are rendered less than fully operational by disease than by bullets and bombs. As we evolve our global military presence, Navy Medicine is enhancing our capabilities through global health initiatives with our international partners and through a global presence. We are at the forward edge of battle in combating emerging diseases and solving health problems worldwide.

Every day, the CONUS and OCONUS Navy Medical Research labs and the MTF-based Clinical Investigation Programs conduct cutting edge research to answer issues, both current and projected to arise. These facilities are necessarily lean and our researchers are few in number, but they have made significant contributions to the men and women who wear the cloth of our Nation and for the world. We will continue to develop innovative technologies to save the life and limb and to expand the operational envelope of our Navy and Marine Corps Warfighters.

PSYCHOLOGICAL HEALTH

Question. There has been a significant expansion of psychological healthcare across the military health system. This includes increasing the number of specialists in psychiatry, psychology, mental health, and social work, to provide more services at a greater number of locations. Psychological treatment options are also being integrated into primary care to provide more comprehensive and holistic support.

Early identification and treatment of psychological health issues can accelerate healing and improve long-term outcomes. This is supported by numerous campaigns to train service members to identify warning signs of excessive stress, suicidal tendencies, depression, or other mental health concerns. Given the stress of combat operations and repeated deployments, the services are striving to place more psychological health providers in theater, as well as continued screening for symptoms long after service members return.

Admiral Robinson, the services are seeking to provide early identification and treatment of psychological health needs in theater by deploying additional psychological health professionals to forward operating bases. Since the Marines are sometimes located in remote locations with limited access to even basic services, how can the Navy ensure this care reaches them?

Answer. Within the Marine Corps, we continue to see the effectiveness of the Operational Stress Control and Readiness (OSCAR) program, as well as the OSCAR Extender program. OSCAR embeds full-time mental health personnel with deploying Marines and uses existing medical and chaplain personnel as OSCAR Extenders together with trained senior and junior Marines as mentors to provide support at all levels to reduce stigma and break down barriers to seeking help. Embedded mental health providers can provide coordinated, comprehensive primary and secondary

prevention efforts throughout the deployment cycle, focusing on resilience training, stress reduction efforts, and when necessary, timely access to a known provider with reduced stigma associated with mental health intervention. Our priority remains ensuring we have the service and support capabilities for prevention and early intervention available where and when it is needed. OSCAR is allowing us to make progress in this important area.

PATIENT CENTERED MEDICAL HOMES

Question. The fiscal year 2012 budget request supports the phased implementation of the Patient Centered Medical Home concept for delivering primary care for all three services. This concept, originating in the private sector, seeks to improve quality of care and the patient experience by integrating primary care into a comprehensive service. Patients will have an ongoing relationship with a personal physician leading a team of professionals that collectively takes responsibility for the individual's or family's healthcare needs.

The Army is beginning with Community Based Medical Homes, which are Army-run clinics located off-post. They function as extensions of the Army hospital and are staffed by civil servants. Seventeen are currently underway in communities which needed increased access to primary care, including one in Hawaii.

The Air Force was the first service to implement the concept, which it termed the Family Health Initiative, beginning in 2008. It will soon be expanding the concept across all the clinics service-wide. The Navy is also ramping up its program to convert its facilities, started in May 2010, called Medical Home Port. Over 200,000 sailors and family members are already enrolled.

Admiral Robinson, as the Navy creates additional Medical Home Ports, how will this new reorganization lead to more comprehensive service to patients and better continuity of care?

Answer. Medical Home Port is Navy Medicine's Patient-Centered Medical Home (PCMH) model, an important initiative that will significantly impact how we provide care to our beneficiaries. In alignment with my strategic goal for patient and family centered care, Medical Home Port emphasizes team-based, comprehensive care and focuses on the relationship between the patient, their provider and the healthcare team. The Medical Home Port team is responsible for managing all healthcare for empanelled patients, including specialist referrals when needed. Patients see familiar faces with every visit, assuring continuity of care. Appointments and tests get scheduled promptly and care is delivered face-to-face or when appropriate, using secure electronic communication.

It is important to realize that Medical Home Port (MHP) is not brick and mortar; but rather a philosophy and commitment as to how you deliver the highest quality care. A critical success factor is leveraging all our providers, and supporting information technology systems, into a cohesive team that will not only provide primary care, but integrate specialty care as well. We continue to move forward with the phased implementation of Medical Home Port at our medical centers and family medicine teaching hospitals, and initial response from our patients is very encouraging. To date, there are 68 MHP teams across seven Navy Medical Treatment Facilities with over 225,000 beneficiaries enrolled.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

MEDICAL FORCE STRUCTURE

Question. Has the Navy evaluated the capacity of its medical community against the current and future structure?

Answer. Navy Medicine evaluates annually and as needed our current and future total force structure in response to changing requirements to ensure that the correct mix of medical, dental, medical service, nurse and hospital corps professions are available to support our Nation's needs. Included in these analyses are our total force of active, reserve, civilian and contract professional to meet the operational and beneficiary missions.

MENTAL HEALTH FORCE STRUCTURE

Question. Does the Navy have enough mental health providers to meet soldier and dependent needs? If there is a gap in mental health providers, what efforts are being taken to get more providers in the system? What programs are being undertaken to address the mental health needs of spouses and dependent children?

Answer. We are committed to improving the psychological health, resiliency and well-being of our Sailors, Marines and their family members and ensuring they have

access to the programs and services they need. We recognize that shortfalls within the market of qualified mental health providers has led to challenges in contracting and filling provider and support staff positions; however, recruitment and retention of uniformed personnel have improved. Current Navy inventory for mental health professionals (February 2011) is as follows:

- Psychiatrist: 73 percent—projected to be at 86 percent end of fiscal year 2012.
- Psychologist: 75 percent—projected to be at 93 percent end of fiscal year 2012.
- Clinical Social Worker: 48 percent—projected to be at 44 percent end of fiscal year 2012. This is due to significant billet growth, from 35 billets in fiscal year 2010 to 86 billets in fiscal year 2012.
- Mental Health Nurse Practitioner: 57 percent—projected to be 100 percent end of fiscal year 2012.
- Mental Health Nurse: 111 percent.

Mental Health Professional recruiting remains a top priority. Navy uses numerous accession and retention bonuses to attract and retain mental health professionals. Medical Special and Incentive Pays are critical to attracting and retaining Navy medicine professional staff inventory.

—*Psychiatrists.*—In fiscal year 2011 there is a \$272,000 critical wartime skills accession bonus available to Psychiatrists entering the Navy. In addition, up to \$63,000/year is available through Incentive Special Pay/Multi-Year Special Pay for current Navy psychiatrists who qualify.

—*Psychologists & Clinical Social Workers.*—The Accession Health Professionals Loan Repayment Program pays out up to \$40,000 to qualified licensed clinical social workers up to \$80,000 to clinical psychologists. The Health Professions Scholarship Program is available to attract and train clinical psychologists by paying for tuition, books, fees and a stipend. The Health Services Collegiate Program is available to attract and train licensed clinical social workers paying E6 salary and benefits while candidates are in training. In addition, a clinical psychologist accession bonus pays up to \$60,000 for a 4 year obligation, and clinical psychologist incentive pay is \$5,000/year. The clinical psychologist retention bonus pays up to \$80,000 for a 4 year obligation, and the licensed clinical social worker accession bonus pays up to \$30,000 for a 4 year obligation. Board certification pay of \$6,000/year for both specialties is also available to these mental health professionals. A retention bonus for clinical social workers has recently been submitted and is pending review and approval.

—*Mental Health Nurse Practitioner & Mental Health Nurse.*—In fiscal year 2011 there is up to \$30,000 available through the Nurse Corps accession bonus for nurses entering the Navy. In addition up to \$20,000/year is available through Registered Nurse Incentive Special Pay.

When our Sailors and Marines deploy, families are their foothold. Family readiness is force readiness and the physical, mental, emotional, spiritual health and fitness of each individual is critical to maintaining an effective fighting force. A vital aspect of caring for our service members is also caring for their families. FOCUS is a family centered resiliency training program based on evidenced-based interventions that enhances understanding, psychological health and developmental outcomes for highly stressed children and families. FOCUS has been adapted for military families facing multiple deployments, combat operational stress, and physical injuries in a family member. The program provides community outreach and education, resiliency skill building workshops and at the center of the program a 8-week, skill-based, trainer-led intervention that addresses difficulties that families may have when facing the challenges of multiple deployments and parental combat related psychological and physical health problems. It has demonstrated that a strength-based approach to building child and family resiliency skills is well received by servicemembers and their family members. Notably, program participation has resulted in statistically significant increases in family and child positive coping and significant reductions in parent and child distress over time, suggesting longer-term benefits for military family wellness. To date over 200,000 Service members, families and community providers have received FOCUS services.

In addition to FOCUS, the Reserve Psychological Health Outreach Program (RPHOP) identifies Navy and Marine Corps Reservists and their families who may be at risk for stress injuries and provides outreach, support and resources to assist with issue resolution and psychological resilience. An effective tool at the RPHOP Coordinator's disposal is the Returning Warrior Workshop (RWW), a 2-day weekend program designed specifically to support the reintegration of returning Reservists and their families following mobilization.

The Naval Special Warfare (NSW) Family Resiliency Enterprise (FRE) program was designed toward enhancing the performance and readiness of the force by increasing resilience of the service member and his or her family—and thus the team,

squadron, group and overall NSW community. To date, each NSW SEAL Team has conducted seven or more consecutive combat deployments resulting in cumulative exposure to wartime events and extensive familial separations. The goal has been to build resilience by collecting baseline information (seven main areas: psychological, neuropsychological, physiological, relationships, spirituality, finances, and lifestyle) about service members and their spouses/significant others; identifying areas of concern and providing training as indicated; and providing forums (overnight retreats) for family members to network to build support during deployments, as well as celebrate return from deployment and facilitate reintegration. To date, about 5,500 participants have attended NSW FRE retreats.

MEDICAL TRAINING PROGRAMS

Question. The Navy is producing medics with a wealth of experience in a variety of medical specialties like trauma care. Has there been any effort to align training programs with civilian training requirements? If no, then why not?

Answer. Yes, our enlisted training programs are aligned and often exceed civilian training programs. Similar to civilian medical training, military medical training is nationally accredited by the American Council on Education and the Council on Occupational Education, representing higher education and quality for the U.S. Government. The academic programs for enlisted medic training are under the auspices of the National License Practical Nursing guidelines for our basic hospital course and the National Emergency Medical Technical for field training.

The Navy Credentialing Opportunity Online (COOL) program provides expanded opportunities to earn civilian occupational licenses and certifications. The program promotes recruiting and retention and further enhances the Sailor's ability to make a smooth transition to the civilian workforce. The Navy's credentialing program has two key components—dissemination of information on civilian licensure and certification opportunities and payment of credentialing exam fees.

Community College of Air Force (CCAF) is a multi-campus community college accredited through the Southern Association of Colleges and awards course college credits to the enlisted personnel of the Air Force (AF) Medical Program. Navy corpsman participating in consolidated courses with the Air Force (AF), such as those offered at Medical Enlisted Training Campus (METC) in San Antonio, Texas or Sheppard AFB, are awarded college credits for training (i. e. emergency medicine, biomed tech, surgical tech, radiology, etc.) in both hospital corpsman basic and technical medical course work.

In addition, Navy Medicine is formally affiliated with the LA County Trauma Center, California, approved by American College of Surgeons and sends medical teams (nurses, physicians and corpsman) to train in level 1 trauma care. This training opportunity allows for integration of knowledge and skill performances of civilian and military working side by side in trauma teams.

MEDICAL ACQUISITION PROGRAMS

Question. How well does your medical community interact with your acquisition community? As different injuries are identified as prevalent within your service, what are the procedures to work with the acquisition community to acquire equipment, tools, or clothing to limit or prevent these injuries?

Answer. Let me share how various aspects of Navy Medicine work together to improve medical care for Wounded Warriors.

In the scenario you describe, surgeons at a forward operating base would note a change in the type or severity of injuries being treated. The change might be caused by new weapons or tactics employed by the enemy. The surgeons at the forward operating base would describe the new injuries and define a new medical capability needed to meet the threat. In this scenario, this information would go to the Navy Medicine Specialty Leader for Surgery. This senior surgeon represents the entire surgical community to Navy Medicine at large. There are specialty leaders for all aspects of clinical care.

The Surgical Specialty Leader validates the new capability that is needed and determines whether the new capability can be satisfied by using a new surgical protocol or through the use of new or additional equipment not currently in theater. If the new capability can be achieved through the use of new surgical protocols, the Surgical Specialty Leader initiates the change in procedure.

If the Surgical Specialty Leader determines new or additional medical equipment is needed, Navy Medicine's clinical engineers will write the specifications for the new equipment and our acquisition office will purchase it. These three groups—specialty leaders, clinical engineers, and acquisition professionals—have established

procedures to validate, define, and procure medical supplies and equipment for our forward deployed providers.

If the Surgical Specialty Leader determines that the new and needed medical capability cannot be satisfied using existing equipment or techniques, then the requirement is turned over to the Navy Medicine Research Center. These skilled and dedicated researchers work with colleagues in academia and industry to put new medical capability into the hands of our clinicians.

QUESTIONS SUBMITTED BY SENATOR TIM JOHNSON

ELECTRONIC HEALTH RECORDS

Question. Secretary Gates and Secretary Shinseki recently announced that the Department of Defense and the Department of Veterans Affairs will develop a joint electronic health record. On April 1, 2011, the Department of Veterans Affairs also announced that it will form an open architecture community around the VA's electronic health record, VISTA. Are these the same thing or will each Department still keep its own version of VISTA and AHLTA?

Do the Departments envision the joint electronic health record (EHR) replacing VISTA and AHLTA?

When will the Departments release details and a comprehensive plan forward on the joint electronic health record?

Answer. Department of Defense (DOD) is leading the way forward on Electronic Health Records (EHR) and Navy Medicine is providing support for this mission.

DOD and Veterans Affairs (VA) will continue to synchronize EHR planning activities for a joint approach to EHR modernization. The Departments have already identified many synergies and common business processes, including common data standards and data center consolidation, common clinical applications, and a common user interface. The VA has released a request for proposal to evaluate open source management options, and DOD is working with the VA to identify opportunities to contribute and participate in the open source collaboration. As the open source communities mature, DOD and VA will continue to analyze open source components that fit the architectural construct for use in the future EHR.

The following excerpt from the April 6, 2011 testimony of Ms. Beth McGrath, DOD Deputy Chief Management Officer, before the House Armed Services Subcommittee on Emerging Threats and Capabilities additionally supports the commitment by both the DOD and VA to develop a joint approach to EHR modernization.

“In the field of health IT, DOD and the Department of Veterans Affairs (VA) have committed to a full and seamless electronic exchange and record portability of healthcare information in a secure and private format, wherever needed, to ensure the highest quality and effective delivery of healthcare services for our military servicemembers and Veterans, from their accession into service and throughout the rest of their lives. To this end, the Departments are collaborating on a common framework and approach to modernize our Electronic Health Record (EHR) applications. On March 17, the Secretary of Defense and Secretary of Veterans Affairs affirmed we will continue to synchronize our EHR planning activities to accommodate the rapid evolution of healthcare practices and data sharing needs, and to speed fielding of new capabilities. The Departments have already identified many synergies and common business processes, including common data standards and data center consolidation, common clinical applications and a common user interface.”

VISION CENTER OF EXCELLENCE

Question. As Chairman of the Military Construction and VA Appropriations Subcommittee, I have closely followed the development of the Vision Center of Excellence and pressed for better cooperation between the Department of Defense and the VA. I have been frustrated with the delays in funding, full military staffing, and operational support for this important project.

Admiral Robinson, what are the Navy's budgetary plans for fiscal year 2012–fiscal year 2015 for the Vision Center of Excellence? Where is the Navy currently at with staffing the Vision Center of Excellence? What staffing levels—military, Federal, and contractor support—are necessary to be fully operational and when do you anticipate reaching that point?

Answer. The Joint DOD/VA Vision Center of Excellence (VCE) is a demonstration of a high level of cooperation between the DOD and VA. It continues to advance the coordination of vision care and research across both Departments and the VCE's work on the Joint Defense and Veterans Eye Injury and Vision Registry is an excel-

lent example of how the two Departments can integrate processes. Further, the VCE has an integrated staff and is funded by both Departments.

Oversight and direction of the VCE is accomplished jointly, specifically by the VA/DOD Health Executive Council (HEC) and the Joint Executive Council (JEC). The VCE is included in the VA/DOD JEC Joint Strategic Plan reported to Congress annually.

The Navy has operational authority for the VCE, and the Assistant Secretary of Defense for Health Affairs has funding responsibility. The Navy is developing a transition plan for the transfer of funding and staffing responsibility from Health Affairs to the Navy.

My office works closely with Health Affairs to adequately fund the VCE. Most of the leadership is in place now and additional key staff will be on board in fiscal year 2012. The VCE is funded at \$17.9 million in fiscal year 2012, which will support requisite operations, registry development, contractors, and DOD civilians (an increase of 18 from the current 6 DOD civilian staff). Additionally, there are a total of 13 Federal staff members at the VCE, including 5 VA and 2 military. Our estimate is 111 staff will be required to achieve full operating capability by fiscal year 2017. We will continue to work with the VCE the requirements, as well as continue to evaluate all of our organizations to support DOD efficiency initiatives.

JOINT VETERANS EYE INJURY AND VISION REGISTRY

Question. Admiral Robinson, what is the status of the implementation of the Joint Defense Veterans Eye Injury and Vision Registry? How soon will this become fully operational? Does the Navy have the funding necessary for full implementation?

Answer. Development of the Defense and Veterans Eye Injury and Vision Registry is progressing very well and is 6 months ahead of schedule. During the first year of operations of the Vision Registry, the Joint Department of Defense (DOD) and Department of Veterans Affairs (VA) Vision Center of Excellence (VCE) will validate the registry capabilities; collect and enter ocular data of Service Members and Veterans with ocular injuries into the registry; and identify future registry requirements and capabilities. We expect the Vision Registry to be fully operational by first quarter fiscal year 2013.

The VCE is developing the Vision Registry to be a dynamic tool. As the first central repository of DOD and VA clinical ocular related data, the Vision Registry will provide the quantitative data necessary to perform longitudinal analyses for the development of preventative measures and for recognition of best practices for treatment and rehabilitation of injuries and disorders of the visual system.

Personnel and operational costs for the Vision Registry sustainment and continued development are included in the proposed VCE fiscal year 2013–17 POM.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL CHARLES B. GREEN

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

SOURCES OF HELP FOR SERVICEMEMBERS AND THEIR FAMILIES

Question. General Green, what role do you see the private sector playing in your efforts to reach out to servicemembers and their families to provide access to psychological health services?

Each Service has taken a different approach to address the psychological health needs of their servicemembers and their families. In addition, the Department of Defense and the Tricare contractors have also instituted programs to help provide this type of care. Rather than streamlining those services, new Web sites and phone lines are created. On top of those efforts, the private sector, the Department of Veteran's Affairs, and non-profits are all trying to address these issues. This is all well intended but more often than not it is challenging for servicemembers and family members to guide their way through a maze of avenues to seek for sources to help.

On one Navy pamphlet to combat operational stress there are 16 different Web sites and phone numbers and on another there eight. Each one has very little information associated with them, forcing the individual to access each Web site to decipher if that meets their needs. One Air Force pamphlet has 13 and on one Army pamphlet there are 19. People seeking help should not have to go through a maze like this.

Answer. Private sector organizations and individual providers play a critical role in the delivery of psychological health services to service members and families. TRICARE providers, community resources and non-medical counseling options sup-

plement the direct military medical care system. They also offer options which may be perceived as bearing lower stigma for military families.

In the Air Force, most formal mental healthcare for family members is provided by TRICARE providers or through other community agencies. Unfortunately, anecdotal reports from geographically remote bases particularly indicate that child and adolescent mental health services may be hard to find. There is a nation-wide shortage of qualified mental health providers. This situation becomes more problematic in remote locations or where there are low numbers of providers accepting TRICARE.

While not providing formal mental healthcare, Military One Source counselors available through on-line or toll-free call referral, or Military and family life consultants and child and youth behavioral consultants working out of base Airman and Family Readiness Centers provide confidential, non-medical, short term counseling services to address issues common in the military community, with no medical documentation.

Case management and referral management occurs both through private and military offices. Medical treatment facilities assist in locating specialty care for their enrolled patients and TRICARE regional contractors offer this service as well. Additionally, there are numerous private and local advocacy groups and offices that aid with access to services. The Defense Veterans Brain Injury Center provides coordination of care for individuals suffering from a Traumatic Brain Injury (TBI).

Indeed there are many Web sites, agencies and advocacy groups providing resources for individuals and families with needs in the area of mental health. There are DOD/VA workgroups in place which are working to further consolidate and simplify these resources and establish one site for patients to seek medical information regarding psychological health. The breadth of resources is reflective of the wide array of topics being addressed: from type of problem (post traumatic stress disorder, depression, suicide, deployment related issues, TBI) to demographic or beneficiary issues (Guard/Reserve, Active Duty, family/individual, and age). Fortunately, in the military medical system, each patient has his/her own primary care physician as the first and best advocate to assist in the management of services.

Because of the importance of the relationship with a primary care manager, the Air Force is placing behavioral health providers in primary care clinics. Where this is in place, patients see mental health providers for targeted, brief care in the primary care clinic avoiding the stigma of making a mental health clinic appointment. When further care is required the provider can refer the patient to the community to see a private sector or TRICARE provider or other appropriate resources.

MILITARY MEDICINE

Question. General Green, a key element to the improvement of care is how fast we are able to transport servicemembers from the point of injury to the care they need. Can you detail some of the advancements in our aeromedical evacuations and what areas you are researching to further these efforts?

Since fiscal year 2010, the Department of Defense has requested funds for the advancement of military medicine. Prior to that, the majority of these funds were provided to the Department through earmarks and nationally competed programs added to the Defense budget by Congress. In the fiscal year 2012 budget request the Department is requesting \$438 million through the Defense Health Program and the Defense Advanced Research Projects Agency to further these efforts.

Answer. Evolutionary advancements in technology, and improvements in clinical interventions enable movement of the most severely injured or ill patients. Recent technology advancements introduced by the Air Force include: advanced ventilators, video assisted intubation devices, improved aircraft configuration equipment for litter patients, improved aircraft lighting systems, an extracorporeal membrane oxygenation device for adult patients, and improved virtual training for medical personnel to name a few.

Aeromedical evacuation today is done flawlessly but must always be focused on continuous improvement to care for ever more complex patients. Based on operational outcomes, effects, and well defined capability gaps, the major focus areas for enroute care research are: patient stabilization; patient preparation for movement; patient staging; impacts of in-transit environment on patient physiology and medical crew/attendant performance; occupational concerns for medical staff; human factors and patient safety; medical personnel training and equipment; environmental health issues; infectious disease and cabin infection control; burn and pain management; resuscitation; life saving interventions; nutrition; alternative medicine; and a wide variety of organ system effects (neurologic, psychologic, orthopedic, pulmonary, cardiovascular, gastrointestinal, renal, and respiratory). Air Force, Army, Navy,

public and private academia, and industry partners are engaged in research in these focus areas.

PATIENT CENTERED MEDICAL HOMES

Question. General Green, the Air Force continues to transition its clinics to the patient centered medical home model. This concept organizes health professionals into teams able to provide more comprehensive primary care. Each patient's personal physician leads the team and serves as a continuous point of contact for care. Has the Air Force seen improvements in patient satisfaction or cost control with this initiative?

The fiscal year 2012 budget request supports the phased implementation the Patient Centered Medical Home concept for delivering primary care for all three services. This concept, originating in the private sector, seeks to improve quality of care and the patient experience by integrating primary care into a comprehensive service. Patients will have an ongoing relationship with a personal physician leading a team of professionals that collectively takes responsibility for the individual's or family's healthcare needs.

The Army is beginning with community based medical homes, which are Army-run clinics located off-post. They function as extensions of the Army hospital and are staffed by civil servants. Seventeen are currently underway in communities which needed increased access to primary care, including one in Hawaii.

The Air Force was the first service to implement the concept, which it termed the Family Health Initiative, beginning in 2008. It will soon be expanding the concept across all the clinics service-wide. The Navy is also ramping up its program to convert its facilities, started in May 2010, called Medical Home Port. Over 200,000 sailors and family members are already enrolled.

Answer. The Air Force Medical Service has seen improvement in patient satisfaction and access at locations that have implemented FHI. Early data from the RAND (Research and Development) evaluation of the Air Force Medical Home Model (RPN PA06R-R190) study show a 1.3 percent increase in patient satisfaction. Additionally, continuity between patients and their providers is on the rise changing from an average of 40 percent of patients seen by their assigned clinical to 60 percent following FHI implementation. Continuity with the assigned team is even higher averaging greater than 80 percent of the time seeing either the physician or the extender on the health team. A secondary effect of this improved continuity is decreased demand for acute appointments and improved access to care. Patients have shown less need for follow-up appointments as their assigned providers are able to provide more comprehensive care to patients they know, driving down the total number of overall healthcare visits. Provider satisfaction with this model of care has also led to a 5 percent reduction in attrition of our family physicians.

We are also monitoring Emergency Department (ED)/Urgent Care Clinic utilization to see if the increased continuity can reduce high cost ED visits. As continuity increases patients learn that visits to their assigned provider, who are familiar with their medical history, offer advantages over convenience of acute care clinics. The roll out of Relay Health secure patient messaging over the next year will allow simpler communication with patients electronically and further enhance continuity.

Disease management and case management programs built into PCMH are maturing and health indicators (such as diabetes compliance) are improving. The patient linked as partner with a specific healthcare team allows our extensive informatics network to provide decision support to both patients and the care team. Aggregating patient data into the informatics network will allow better care to populations as we tie specialty consultants and analytic experts together to improve care. It all starts with the partnership between patient and the healthcare team in PCMH.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. Has the Air Force evaluated the capacity of its medical community against the current and future structure?

Answer. Yes, the Air Force uses current and projected mission changes to align resources where most appropriate. Beginning with Base Realignment and Closure 2005, and continuing in subsequent program objective memorandum (POM), the Air Force Medical Service (AFMS) has realigned manpower and medical facility capability based on changing mission requirements, including those mission changes associated with BRAC decisions or other Department of Defense mission movements or beneficiary changes.

We continue to use staffing models, beneficiary population, and projected mission changes from the Air Force and the Office of the Secretary of Defense communities to place resources where they can be most effective, and where our deploying medics can receive the most current, diverse case-mix. Beginning in the fiscal year 2010 POM, and continuing today, the AFMS is aligning resources back into our inpatient platforms, with plans to increase enrollment by 35,000 and increasing inpatient capability at several of our larger Military Treatment Facilities. Specifically, the AFMS increased Joint Base Elmendorf by 200 personnel to account for force structure changes, beneficiary recapture opportunity, and to improve currency. Similar initiatives are in progress at Joint Base Langley-Eustis, and Eglin and Nellis Air Force Bases in response to mission changes. These efforts will result in medical personnel being better prepared for deployment to the area of responsibility, and will bring care back into the Direct Care System, a critical long-term goal to reduce costs and improve efficiency.

The AFMS reviews current and future healthcare needs and directs changes within the assigned force structure (specialties) of each Corps. Under direction of the National Defense Authorization Act 2010, Section 714, the AFMS is increasing the active duty mental health authorizations by 25 percent to better address the needs of our service members and their families. These additional authorizations are built based both on the identified needs of our beneficiaries as well as our projected ability to recruit and retain professionals in these specialties. Although all active duty mental health professions will increase in the next 5 years, the largest growth will be in social workers, who we have had recent success in recruiting. We will also increase both psychiatrists and psychiatric nurse practitioners to increase our ability to provide psychiatric medication management services. We recently reviewed our current force structure to realign mental health resources and support the needs of our beneficiary population while maintaining manning levels within the current Air Force manpower constraints. Additionally, the AFMS is adding more contract mental health professionals as a gap-fill measure until the added active duty manpower needs are filled. This increase in mental health manning does not increase the overall manning numbers of the AFMS, but realigns the mix of specialty resources of our current medical program to more effectively recapture costs and provide expanded mental health services of these essential programs.

Question. Does the Air Force have enough mental health providers to meet soldier and dependent needs?

Answer. Through the TRICARE network and community organizations, the Air Force Medical Service (AFMS) has the mental health staffing to meet the treatment needs for Airmen and family members. The availability of resources varies depending on geographical region and catchment area but it is adequate to provide for mental health needs in a manner equal to other types of insurance.

Question. If there is a gap in mental health providers, what efforts are being taken to get more providers in the system?

Answer. There is a nationwide shortage of mental health providers which the AFMS confronts in a three-pronged approach addressing: (a) educational programs and scholarships, (b) direct compensation, and (c) quality of life (QOL) initiatives.

(a) Due to historical difficulties recruiting fully qualified specialists, the AFMS places emphasis and funding into educational scholarships.

(b) We use accession bonuses to recruit fully qualified specialists into the Air Force and retain them through the use of retention bonuses.

(c) The AFMS addresses QOL initiatives such as family services, medical practice, educational or leadership opportunities, or frequency of moves and deployments to recruit and retain our health professionals.

Question. What programs are being undertaken to address the mental health needs of spouses and dependent children?

Answer. A variety of programs provide support for the mental health needs of spouses and dependent children. Each installation has a Family Advocacy Program (FAP) that provides outreach and prevention services to families. One novel FAP approach is the New Parent Support Program (NPSP), which provides support and guidance in the home to parents screened as high risk for family maltreatment. Educational and Development Intervention Services (EDIS) are provided by a child psychologist for special education children in DOD schools. Other programs provide education on common family issues like good parenting, couples communication, or redeployment integration. Counseling for families is also available. Military One Source is a DOD program using a civilian network that provides face-to-face, telephonic, or online counseling/consultation to service members and families for up to twelve sessions. Also providing nonmedical counseling, Airman and Family Readiness Centers have Military and family life consultants and child and youth behavioral consultants. These provide confidential, non-medical, short term counseling

services to address issues common in military families such as deployment stresses and relocation. Other nonmedical counseling alternatives for family members not able to be seen at military medical treatment facilities have access to services through community TRICARE providers. These providers offer an array of services from individual counseling and group therapy, to inpatient behavioral healthcare.

Question. The Air Force is producing medics with a wealth of experience in a variety of medical specialties like trauma care. Has there been any effort to align training programs with civilian training requirements? If no, then why not?

Answer. We have established multiple training affiliations with our civilian counterparts in numerous settings aimed at providing mutual exchange of education. The purpose is not to align our training programs with civilian requirements, but to optimize the respective programs for both military and civilian students for the best outcomes. We have military instructors embedded in civilian institutions where we have military students for both GME (Graduate Medical Education) and sustainment training. In turn, several civilian schools use our medical facilities for student training with experiences unique to the military.

Many of our surgical trauma experts are now in faculty positions in different private sector university hospitals. Our Centers for Sustainment of Trauma and Resuscitation Skills share expertise at University of Maryland, University of Cincinnati and St Louis University. Our Sustainment of Trauma and Resuscitation Skills Programs also share expertise with Tampa General Hospital, University of California—Davis, Scottsdale Medical Center, Miami Valley Medical Center, and University of Texas-San Antonio. We also have surgeons working closely with the Veterans Administration Hospitals, University of Alabama-Birmingham and University of Pittsburgh Medical Centers.

Three of the four Centers of Excellence for the Nursing Transition Program are civilian medical centers, two having achieved Magnate status. These institutions provide a rich environment for our new nurse graduates as they transition from new nurse graduate to military nurse. Our military instructors and students provide our civilian colleagues with unique training opportunities as experiences with the phenomenal care we give our wounded warriors, establishing a collaborative process of information sharing for optimal patient outcomes.

Question. How well does your medical community interact with your acquisition community? As different injuries are identified as prevalent within your service, what are the procedures to work with the acquisition community to acquire equipment, tools, or clothing to limit or prevent these injuries?

Answer. The medical community and acquisitions community work closely together. Human Systems Integration has been a focus of the Air Force Medical Service and the Vice Chief of Staff of the Air Force for over 7 years to ensure new high cost military equipment addresses the needs of the human that will operate it. There are continuous efforts with Air Force logistics and the Army to mitigate the impact of combat injuries by evaluating protective equipment and improving it. Once protective equipment is identified as needed, our Air Force Medical Service Medical Logistics Division at Fort Detrick, Maryland, works with the acquisition community to contract for needed medical supplies, equipment and services based on clinically identified requirements and specific items are obtained as needed.

QUESTION SUBMITTED BY SENATOR TIM JOHNSON

Question. Secretary Gates and Secretary Shinseki recently announced that the Department of Defense and the Department of Veterans Affairs will develop a joint electronic health record. On April 1, 2011, the Department of Veterans Affairs also announced that it will form an open architecture community around the VA's electronic health record, VISTA. Are these the same thing or will each Department still keep its own version of VISTA and AHLTA?

Do the Departments envision the joint electronic health record replacing VISTA and AHLTA?

When will the Departments release details and a comprehensive plan forward on the joint electronic health record?

Answer. The Department of Veterans Affairs and the Department of Defense are collaborating on the Integrated Electronic Health Record (iEHR) program which will operate in the future as a common EHR. Given the iEHR is a complex, multi-year development program, a DOD-VA Integrated Program Office is being created to coordinate the development and deployment of the iEHR and then the sun-setting of VISTA and AHLTA. During the initial planning, the Departments have identified common business processes and practices, including common data standards, data center consolidation, common clinical applications, and a common user interface. Co-

ordinating the efforts between the Departments sets the course toward a seamless electronic health record exchange and portability of health information in a secure and private format.

The EHR Senior Working Group and various subgroups are currently assembling the information needed to put together a comprehensive plan. The plan is considering the budget, architecture, security, policies, and business processes. A high level project plan is being constructed that includes cost models, proposed timelines, and joint assumptions. The Secretary of Defense and the Secretary of the Veterans Affairs are scheduled to receive a status brief on cost, schedule and performance on May 2, 2011.

QUESTIONS SUBMITTED TO REAR ADMIRAL ELIZABETH S. NIEMYER

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUYE

PEDIATRIC INJURIES ON THE BATTLEFIELD

Question. Since 2002, DOD hospitals in Iraq and Afghanistan have treated over 2,000 injured children with over 1,000 of these children having suffered from blast injuries. Children have unique physiological responses to illness and injury. Therefore, the treatment of children demands specific training, equipment and approaches that are different than those required for adults. Children injured in war zones are sometimes treated as “little adults”, and the healthcare professionals do not have the experience or training necessary to appropriately care for pediatric trauma injuries.

Admiral Niemyer, our military medical personnel in theater are treating a wide array of civilian cases in addition to caring for our servicemembers. As a result, they are seeing numerous pediatric injuries similar to injuries sustained by adults. Has the Navy implemented any pre-deployment training for nurses to address the unique needs of pediatric casualties of war?

Answer. In 2002, the Navy established the Navy Trauma Training Center (NTTC), a joint cooperative medical venture with the Los Angeles County-University of Southern California Medical Center, to train our nurses, doctors, and corpsmen in real world trauma medicine skills and experiences. Staff teaching this course solicit feedback from students who have completed the course and deployed. Over time our personnel noted a change in the demographic population of those injured in Afghanistan to include children. This feedback was used to begin incorporating a more robust training module highlighting the physiologic differences and responses to pediatric trauma, injury patterns, and pediatric specific treatments. Furthermore, because of this feedback clinical rotations in the Pediatric Intensive Care Unit and Pediatric Trauma Emergency Department have increased. Approximately 75 percent of NTTC students deploy with Marine units.

One of our pediatricians, Captain Jon Woods, was involved with extensive pediatric trauma in Afghanistan. He identified the requirement for qualified nurses trained specifically in military transport of pediatric patients. Staff at Naval Medical Center San Diego took this information and are in the process of creating a certified training program using their extensive simulation resources. The plan is to create a simulated space equivalent to that found inside a Blackhawk transport helicopter, where students in full battle gear will have pediatric trauma simulation experiences in which care is affected by significant limitations in visibility, communication, and movement.

RECRUITMENT AND RETENTION

Question. Despite well known shortages in the nursing profession, the three services have continued to do well in recruiting nurses into the military. Last year, the Air Force testified that one of the challenges the nurse corps faced was the development of new flight nurses and technicians in the pipeline to meet the needs of the ever growing aeromedical evacuation mission. Flight nurses remain the lowest manned specialty in the nurse corps (78 percent), and have one of the highest demands. For the fifth consecutive year the Navy has achieved their active component nursing goal (92 percent manning) and they have 2,852 nurses currently serving around the world. In fiscal year 2010, the Army was able to recruit 642 nurses, meeting 105 percent of its active duty need and 94 percent for the reserve.

Admiral Niemyer, how are deployments affecting the Navy nurse corps' ability to retain experienced nurses, particularly those working in high demand, low occupancy nursing career fields?

Answer. With the ongoing war efforts, we are keenly aware of the need to grow and retain nurses in our critical war-time subspecialties. Though loss rates have improved overall, there remains a gap in the inventory to authorized billets for junior nurses with 5 to 10 years of commissioned service.

Key efforts which have positively impacted retention include Registered Nurse Incentive Special Pay (RN-ISP), which targets bonuses to undermanned clinical nursing specialties, and the Health Professional Loan Repayment Program (HPLRP), which offers educational loan repayment up to \$40,000. Full-time Duty Under Instruction (DUINS) further supports Navy recruitment and retention objectives by encouraging higher levels of professional knowledge and technical competence through graduate education. Training requirements are selected based on Navy nursing needs for advanced skills in war-time critical subspecialties. Seventy-six applicants were selected for DUINS through the fiscal year 2011 board.

Tracking specific reasons for losses is complex, but currently the Center for Naval Analysis is completing a follow-up study where intent to leave is one of the outcome variables. As the economy improves and civilian nursing opportunities expand through the Affordable Care Act, we might once again be faced with recruiting and retention challenges. In anticipation of these challenges, we are inviting nursing students and new graduate nurses to participate as American Red Cross volunteers at our hospitals and clinics to enhance exposure to the military. Additionally, we assigned a Nurse Corps Fellow to my staff to monitor recruitment and retention, and to ensure that both remain a priority.

NURSING RESEARCH

Question. Scientific inquiry, planned and conducted by nurses, is a vital part of improving the health and healthcare of Americans. Nursing research has been a long time catalyst for many of the positive changes that we have seen in patient care over the years. The National Institute of Nursing Research defines nursing research as the development of knowledge to build a scientific foundation for clinical nursing practice, prevent disease and disability, manage and eliminate symptoms caused by illness, and enhance end-of-life and palliative care. The TriService Nursing Research Program (TSNRP) is one such venue to help ensure nursing care remains evidence based.

Admiral Niemyer, nurses have a long history of promoting quality healthcare that is not only focused on the needs of the patient but also on the needs of their families. Nursing research has played a big part in how we take care of patients today. How are you ensuring that Navy nurses at all levels in the organization understand the research process and are given opportunities to participate in nursing research efforts?

Answer. The Navy Nurse Corps has aligned nursing research priorities with military relevant Surgeon General's priorities and has embraced evidence based practice. "Invigorating Nursing Research" is a priority and one of the five Navy Nurse Corps' Strategic Goals for 2011. It is aligned with the Navy Medicine Goal of Research and Development and Clinical Investigation programs. Also an active participant in the Tri-Service Nursing Research Program (TSNRP), the Navy Nurse Corps' aim is to continually increase the interest, submission, and subsequent selection of military relevant funded research projects to improve the health of our patients and/or add to the body of nursing knowledge.

Our Nursing Research assets are aligned regionally and are aimed at providing guidance, communication, and mentoring to nurses at all levels of the organization. These assets actively advertise and provide TSNRP and other educational research and evidence based practice course offerings through presentations, site visit training, postings on the Navy Knowledge Online Navy Nurse Corps Web site, and enterprise-wide emails. Due to the efforts of the Strategic Goal Team and the synergy of the research assets in the region (both active component and reserve component), an overwhelming successful number of nurses have applied to participate in the TSNRP Research Development Course offered in San Diego in May 2011. Twenty-one Navy Nurses were selected to fill 25 Tri-Service seats.

QUESTIONS SUBMITTED TO KIMBERLY SINISCALCHI

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

RECRUITMENT AND RETENTION

Question. General Siniscalchi, last year you testified that one of the challenges the nurse corps faced was the development of new flight nurses and technicians in the

pipeline to meet the needs of the ever growing aeromedical evacuation mission. Would you please provide us with an update on the status of those initiatives to increase this career field?

Despite well known shortages in the nursing profession, the three services have continued to do well in recruiting nurses into the military.

Last year, the Air Force testified that one of the challenges the nurse corps faced was the development of new flight nurses and technicians in the pipeline to meet the needs of the ever growing aeromedical evacuation mission. Flight nurses remain the lowest manned specialty in the nurse corps (78 percent), and have one of the highest demands.

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In fiscal year 2010, the Army was able to recruit 642 nurses, meeting 105 percent of its active duty need and 94 percent for the reserve.

Answer. Despite this critically manned, high demand specialty, Aeromedical Evacuation (AE) nurses and technicians continue to perform superbly with a 100 percent mission success. In fiscal year 2010, AE authorizations increased and as a result, the percentage of staffed versus authorized dropped significantly. At the same time, we relocated the Air Force School of Aerospace Science from Brooks City-Base, San Antonio to Wright-Patterson AFB, Ohio, which temporarily affected our training pipeline.

Several initiatives are now underway to fill AE requirements. To improve retention, flight nurses are now offered Incentive Special Pay (ISP). The ISP program is making a positive impact on professional satisfaction and retention. To maximize our training investment in both AE nurses and technicians, the Air Force Personnel Center initiated several changes to allow nurses and technicians to complete a full 3-year tour with the option to extend. An AE force development model was developed to allow nurses and technicians to weave in and out of flying assignments throughout their career. Developmental leadership positions were also established so nurses and technicians can return to AE and provide the much needed leadership and clinical mentorship for our junior AE nurses and technicians. Previous flyers are being asked to volunteer to return to flying assignments and many are eager to have the opportunity to return to flying. We project filling 100 percent of our allocated training seats this year.

In addition, we are currently working on AE training transformation. We scheduled a utilization and training workgroup in fiscal year 2011 to streamline training by leveraging distance learning and creating modular training. The new format will increase the volume of Phase I students and decrease training time needed for Phase II students with a flying assignment pending. Our partnership with Wright State University in Dayton, Ohio is progressing well as we continue to refine the new graduate program in Flight Nursing. This new program offers didactic and clinical training in flight nursing, disaster preparedness/homeland defense, and adult health clinical nurse specialist. Our first student graduates in May 2012.

NURSING RESEARCH

Question. General Siniscalchi, how are you fostering nurse researchers in the Air Force?

Scientific inquiry, planned and conducted by nurses, is a vital part of improving the health and healthcare of Americans. Nursing research has been a long time catalyst for many of the positive changes that we have seen in patient care over the years. The National Institute of Nursing Research defines nursing research as the development of knowledge to build a scientific foundation for clinical nursing practice, prevent disease and disability, manage and eliminate symptoms caused by illness, and enhance end-of-life and palliative care. The TriService Nursing Research Program (TSNRP) is one such venue to help ensure nursing care remains evidence based.

Answer. In addition to our Master Clinician's and Master Research career paths, we recently developed a nursing research fellowship and the first nurse started in August 2010. This 1 year, pre-doctoral research fellowship, focuses on clinical and operational sustainment platforms. The intent of this program is for the fellow to develop a foundation in nursing research and ultimately pursue a Ph.D. Following the fellowship, they will be assigned to work in Plans and Programs within the Human Performance Wing of the Air Force Research Laboratory. This direction is consistent with the National Research Council of the National Academies recommendations for research career paths.

Under Air Force Colonel Marla De Jong's leadership, and for the first time in its history, TSNRP offered research grant awards to nurses at all stages of their careers—from novice nurse clinician to expert nurse scientist. The Military Clinician-Initiated Research Award is targeted to nurse clinicians who are well-positioned to identify clinically important research questions and conduct research to answer these questions under the guidance of a mentor. The Graduate Evidence-Based Practice Award is intended for Doctor of Nursing Practice students who will implement the principles of evidence-based practice and translate research evidence into clinical practice, policy, and/or military doctrine. It is critical that funded researchers disseminate the results of their studies so that leaders, educators, and clinicians can apply findings to practice, policy, education, and military doctrine as appropriate. This grant will enhance this dissemination and uptake of evidence.

Further opportunities to maximize the potential of our Airman and grow the next generation of noncommissioned officers are available through the Air Force Institute of Technology for certain key enlisted specialties. To date, we have three such positions identified; one in education and training at the Air Force Medical Operations Agency, another within our Modeling and Simulation program at Air Education and Training Command, and the third within the research cell at Wilford Hall Medical Center. Our most recent addition to the research cell is Senior Master Sergeant Robert Corrigan, who just arrived to Wilford Hall Medical Center.

NURSING ISSUES

Question. General Siniscalchi, the acuity of patients, level of experience of nursing staff, layout of the unit, and level of ancillary support are all key components in establishing the "right" nurse-patient ratio for any unit. This year I reintroduced The Registered Nurse Safe Staffing Act which addresses those concerns. How does the Air Force ensure adequate nurse staffing levels on inpatient units?

A new study published in the New England Journal of Medicine shows that inadequate staffing is tied to higher patient mortality rates which supports the principles that call for nurse staffing to be flexible and continually adjusted based on patients' needs and other factors.

Answer. A workload data review is conducted on a facility's patient census and acuity to establish a workload average over a 4 year period. From this data review, staffing levels are set at 15 to 20 percent greater than the average census to cover the anticipated patient load. Through the Tri-Service Patient Acuity and Staff Scheduling System Working Group, a model is being developed to staff according to patient need, nurse experience, and acuity versus a fixed nurse to patient ratio. Currently, there is no national standard for nurse staffing, however, the American Nurses Association provides a compilation of State regulated requirements which are taken into consideration for the current Air Force manpower model.

In step with our manpower and staffing initiatives, our Air Force Medical Operations Agency in conjunction with the Department of Defense (DOD), implemented the Patient Safety Reporting (PSR) System in Air Force Military Treatment Facilities worldwide. The PSR provides staff with a simple process for reporting patient safety events using DOD standard taxonomies, which enhance consistency and timely event reviews. The PSR event data will be analyzed for trends and assist in identifying targets for process improvement, both at Air Force and DOD levels.

Question. General Siniscalchi, how many nursing positions does the Air Force have for senior nurses to remain in direct patient care?

Answer. We have developed a career track for Master Clinicians and Master Research positions through the rank of Colonel. This career track will allow our expert clinicians and researchers to stay within their realm of expertise without sacrificing promotion opportunity.

Master Clinicians are board certified nursing experts with a minimum preparation of a master's degree and at least 10 years of clinical experience in their professional specialty. They serve as the functional expert and mentor to junior nurses. Our Master Researchers are Ph.D. prepared and have demonstrated sustained excellence in the research arena.

Both of these highly respected positions are critical in the advancement of nursing practice and to the mentoring of our novice nurses. Currently we have 19 Master Clinician and 3 Master Researcher positions established at designated areas. In addition to our Master Clinicians, 3,073 of our 3,355 nurses or 92 percent of our nurses are in direct patient care positions.

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SUBCOMMITTEE RECESS

Chairman INOUE. The subcommittee will reconvene on Wednesday, April 13 at 10:30 for a classified briefing with the Commander of the United States Pacific Command. Until then, we stand in recess.

[Whereupon, at 12:34 p.m., Wednesday, April 6, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MAY 11, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:04 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Murray, Cochran, Graham, and Coats.

DEPARTMENT OF DEFENSE

NATIONAL GUARD

**STATEMENT OF GENERAL CRAIG R. MCKINLEY, CHIEF, NATIONAL
GUARD BUREAU**

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. Before proceeding with the hearing, I would like to make an announcement of some good news.

Last evening, the National Lupus Foundation presented their highest award to the senior Senator from Mississippi, Senator Thad Cochran, the vice chair of this committee. It was an award for his tireless leadership in providing funds for biomedical research to find a cure for lupus.

And at the same time, the Food and Drug Administration announced the approval of the first drug that can be used for the cure of lupus. So I would like to publicly congratulate my colleague.

Senator COCHRAN. Mr. Chairman, thank you very much for those very generous comments. But without your leadership, I don't think it would have been possible for us to get the funding that is necessary to do what is being done in the research and treatment field of this very troubling, dangerous disease.

So thank you for your continued support for all of those efforts.

Chairman INOUYE. This morning, the subcommittee meets to receive testimony on the fiscal year 2012 budget of the National Guard and Reserve components.

From the National Guard, we are pleased to have the Chief of the National Guard Bureau, General Craig McKinley; and the Director the Army National Guard, General Raymond Carpenter; and the Director of the Air National Guard, General Harry Wyatt.

And from the Reserve, we will welcome the Chief of the Army Reserve, General Jack Stultz; the Chief of the Naval Reserve, Admiral Dirk Debbink; the Acting Commander, Marine Forces Reserve, General Darrell Moore, who is appearing before this subcommittee for the first time; and the Chief of the Air Force Reserve, General Charles Stenner.

And I thank all of you for joining us this morning as the subcommittee reviews the fiscal year 2012 budget for the Reserve components.

Over the last several years, the Guard and Reserve have made important changes as they transition from a strategic to an operational reserve. This shift requires them to have deployment-ready units available at all times.

The Department has improved this resourcing with the Guard and Reserve, and the services have made significant strides in integrating the Reserve components in an effort to create one total force. The subcommittee is interested in hearing your views on how best to utilize this new operational reserve as we draw down our military involvement in Iraq and Afghanistan.

The Guard and Reserve have also recovered from the recruiting and retention difficulty they confronted over the last several years. Although retaining personnel in certain high-demand career fields remains a challenge, the significant personnel shortages seen a few years ago have been eliminated, and the Reserve components now have the opportunity to focus on refining their personnel mix to get the right person in the right position.

However, many challenges remain. The Guard and Reserves must continue to improve reintegration and family support programs. Reservists and their families lack the support network provided at active duty installations. So it is essential that we do everything we can to support Reserve families during deployment and as reservists transition back to civilian life.

The Yellow Ribbon program is a step in the right direction, but I encourage you to continue improving the program to better fit the needs of service members. So I look forward to hearing today what each component is doing to improve support to our reservists and their families.

The Guard and Reserves still face significant equipment shortfalls. For this reason, last year Congress provided \$850 million for the National Guard and Reserve equipment account to allow the Reserve components to purchase additional equipment they need for pre-deployment training and operation at home and abroad.

Congress has provided additional equipment funding for the Guard and Reserve in each of the last 31 years because, year after year, the President's budget fails to sufficiently fund the Reserve components. Some critics decry the additional funds by this subcommittee as unnecessary earmarks. But I am certain that the witnesses here today agree that without this additional funding, our Reserve components would be woefully underequipped.

We owe it to the men and women of the Guard and Reserve who are called on, just like their active duty counterparts, to deploy in harm's way to make certain they are adequately trained and equipped.

As citizen warriors, members of the Guard and Reserve rely heavily on the support of their civilian employers. The commitment, dependability, and discipline that they learn and exhibit in their military capacity are all valuable skills that they can contribute to the civilian workforce. We must continue to promote this concept to ensure that we maintain the support of the business community in hiring and supporting reservists.

So I look forward to hearing your perspective on these issues and working with you this year in support of our guardsmen and reservists. And I thank all of you for your testimony this morning. And may I assure you that your full statements will be included in the record.

And we will begin this hearing with the panel from the National Guard, but first, I would like to turn to the vice chairman, Senator Cochran, for his remarks.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I am pleased to join you in welcoming the leaders of the National Guard and Reserve components to today's hearing.

I have a prepared statement, which I will ask unanimous consent be printed at this point in the record.

Chairman INOUE. Without objection.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I am pleased to join you in welcoming the leaders of the National Guard and Reserve Components to today's hearing.

The Guard and Reserve components are an essential element to the success of our military forces. They contribute at home as citizens and serve our Nation in uniform to help protect our freedom and liberty. They must always be ready, trained and equipped to help defend our homeland, and be ready to deploy overseas in support of our national security interests. Our successes overseas and in response to natural disasters would not be possible without these dedicated men and women.

We appreciate the efforts and unselfish service of those who are keeping this Reserve force ready to protect our national security interests.

Chairman INOUE. And now may I call upon General McKinley.

General MCKINLEY. Chairman Inouye, Vice Chairman Cochran, Senator Coats, Senator Murray, thank you very much for the opportunity to be here today.

I am obviously joined by my colleagues in the National Guard, Bud Wyatt, former Adjutant General of Oklahoma; Ray Carpenter, South Dakota guardsman. I have also got Randy Manner in the room with me, who is our Director of our Joint Staff, a significant new contribution that the National Guard has made to homeland security.

Today, we have about 460,000 members of the Army and the Air National Guard on duty, serving here at home and abroad. Our strength, as you said, Mr. Chairman, is good, and our retention is even better. As the United States Armed Forces continue to conduct operations in Iraq, Afghanistan, and elsewhere around the world, the National Guard participates as a full partner with our United States Army and our United States Air Force.

As a member of the total force, the National Guard has successfully transformed into an operational force. This transformation

would not be possible without the significant investments this subcommittee has made in the National Guard and Reserve, and we thank you all very much for that support.

We must continue to be utilized as a part of the operational force, so that this significant investment is not squandered. We are in the midst of a transition, bordering on transformation, and must maintain readiness and continue to be part of the national security framework.

I would say that during the past 10 years, the Department of Defense has initiated a series of fundamental changes in both culture and operational capability in order to better protect the United States homeland from catastrophic events, natural and man-made.

The citizen soldiers and airmen of the National Guard are a great value for America, as are our colleagues in the Reserve. The citizen soldiers who work side-by-side with our active duty do bring that unique blend of civilian skills, Senator, enabling them to conduct smart power missions with exceptional effectiveness.

We have demonstrated that unique capability through a number of National Guard specific missions, including our support to the combatant commanders around the world through the State Partnership Program, which I know you all are very familiar with; the agribusiness development teams in Afghanistan; and as a critical partner in the Department of Defense CBRNE Enterprise.

None of these missions would succeed without the dedication of our National Guard men and women. Today's men and women volunteer to join or stay in the National Guard fully expecting to be deployed. This shift in expectation is a central aspect of the National Guard shift from strategic reserve to operational force.

Overall, we can say that the budget request for fiscal year 2012 meets the critical needs of the Army and the Air National Guard. In this era of persistent conflict overseas and dealing with the ongoing threats to American lives and property here in the homeland, of particular importance to us is continued funding to sustain the National Guard as an operational force.

As the fiscal year 2012 budget was developed, we worked closely with the Office of the Secretary of Defense to ensure adequate funding for the entire CBRNE Enterprise, including standing up the remaining eight new Homeland Response Forces. I am especially proud of Ohio and Washington State, who have taken on this very daunting challenge to be the first two States to stand up our Homeland Response Force units.

The transformation to an operational force has increased stress on families, as you stated, Chairman. And that is why it is critical that family programs within the fiscal year 2012 request are fully funded.

All of us in the National Guard are highly mindful and deeply grateful for the strong support this subcommittee has shown to us in the past. We are particularly grateful for the additional funds which this subcommittee has provided to the National Guard and Reserve equipment account.

We have used those funds to fill critical shortages in the Army National Guard and to provide technological modernization and enhancements in our Air National Guard capabilities.

We are proud to have increased our obligation rates and our efficient use of those funds, and we are working closely with the services to improve these obligation rates. And we will continue to work with the subcommittee to ensure we are good stewards of the funds and to make your National Guard stronger than ever.

A top priority during my tenure as Chief is to ensure the organization of the National Guard Bureau supports our new role as an operational force and fosters the development and mentorship for future general officers to serve in my current position. I will continue to work within the Pentagon to validate and fund the necessary general officer positions required to support the National Guard Bureau.

In order to move quickly to your questions, Senators, I would like to ask the two Directors to make brief statements.

[The statement follows:]

PREPARED STATEMENT OF GENERAL CRAIG R. MCKINLEY

OPENING REMARKS

Chairman Inouye, Ranking Member Cochran, distinguished members of the subcommittee; I am honored to appear before you today, representing 465,000 Citizen-Soldiers and Airmen in the Army and Air National Guard, an organization that is historically part of the foundation of our great democracy.

America's National Guard remains ready, reliable, and accessible. As members of an operational force, regularly used by the President and State Governors, the Soldiers and Airmen of the National Guard contribute daily to our Nation's overseas and domestic security objectives.

NATIONAL GUARD OVERVIEW

The National Guard is at a crossroads. As we approach fiscal year 2012, a national debate is addressing the most cost-effective way to run the Nation, the Federal Government, and the Department of Defense. One of the main issues concerning our military forces involves determining the appropriate mix of active duty and reserve forces. To that end, we need to ascertain the correct balance of utilization rates—somewhere between the current National Guard operations tempo and what is sustainable over the long term.

On average, 63,000 National Guard members are either deployed or mobilized at any given time for Federal missions and about 5,800 are activated for domestic missions. I believe that this utilization rate of National Guard personnel is appropriate and that we can sustain this level of activation providing the deployments are programmed as far in advance as reasonably possible.

In the coming months, the Department of Defense, the administration, and Congress will analyze the current status of the National Guard. I am confident they will conclude that our organization is as strong as it has ever been. The investment made in the National Guard over the past decade must be capitalized upon and leveraged for the future.

The National Guard has effectively used its appropriated funds over the past year, and we as an organization, intend to continue being good stewards of the taxpayers' dollars entrusted to us in fiscal year 2012. As we embark upon this new fiscal year, we plan to make the National Guard stronger, more capable, and more ready.

The National Guard Bureau's Army, Air, and Joint Directorates each work with the Adjutants General of the 50 States, three territories, and the District of Columbia to execute the strategies set forth by National and State leaders. This synergistic effort is at the heart of our success. The National Guard fosters and nurtures a deep-rooted connection to the more than 3,300 communities across our country that allows the men and women of the National Guard to be an accessible, strong, and capable asset—one that is always ready, always there.

The Army National Guard and Air National Guard are full partners with their respective services in providing combat resources and enabling units for the overseas fight. However, the National Guard also makes ground and air forces available to the Governors when needed. The National Guard Bureau team works closely with the Army and Air staffs to:

- Maintain endstrength at or above 358,200 for the Army National Guard (ARNG) and 106,700 for the Air National Guard (ANG), with a primary focus on caring for the Guard members and their Families.
- Modernize and re-capitalize the ARNG and ANG equipment. This means equip the ARNG to no less than 80 percent of its equipment requirements, ensuring that the ARNG always has the level of equipment needed to meet domestic operational requirements regardless of a unit's status.
- Ensure the ANG is equipped concurrently and in balance with the Total Air Force.
- Stabilize the force to build readiness and train forces to the ARFORGEN level of proficiency and to support the Air Expeditionary Force.

Since the National Guard Bureau's official designation as a joint activity of the Department of Defense (DOD), we have been forging ahead to develop our dual-mission capabilities, both domestic and overseas. We have focused on developing strategic relationships within DOD and other Federal agencies to implement efficient and effective response capabilities. The goal is to ensure the American people have ready access to the essential capabilities of homeland response. To support our domestic response priorities, the National Guard Bureau is:

- Enhancing Chemical, Biological, Radiological, Nuclear, and high-yield Explosive (CBRNE) Enterprise response capability at the State level;
- Establishing a Homeland Response Force (HRF) in each FEMA region; and
- Documenting the State Joint Force Headquarters requirements to further improve command and control capacity during the response.

The tremendous value that the National Guard provides can be effectively described through our four broad mission areas—our core competencies: Overseas defense mission; support to global engagements; domestic response mission; and Soldier, Airman, and Family support programs.

OVERSEAS DEFENSE MISSION

Overseas, the National Guard will continue its full engagement in current operations. As of September 30, 2010, the National Guard have mobilized nearly 650,000 Soldiers and Airmen in support of Overseas Contingency Operations since the attacks of September 11, 2001. In many cases, these men and women have mobilized for combat multiple times. Most Americans know that the Army and Air National Guard provide many of the forces in Afghanistan and Iraq, but few are aware that the vast majority of the forces in Bosnia, Kosovo, the Sinai, and Guantanamo Bay, Cuba are National Guard members. These missions are critical to our National security and garner significant international support in keeping peace across the globe.

SUPPORT TO GLOBAL ENGAGEMENTS

Global engagement is another National Guard core competency. Since the end of the cold war the National Guard, through its State Partnership Program (SPP), has established enduring and mutually beneficial relationships between American States and more than 60 foreign nations. Working with the Department of State, military commands, and other agencies, the State Partnership Program is an integral component of the Defense Department's global security cooperation strategy, the geographic Combatant Commanders' theater engagement programs, and the U.S. Ambassadors' Mission Strategic Resource Plans. These partnerships work to advance regional security, stability, and prosperity. By fostering relationships with other countries, we develop more understanding and familiarity with each other, thereby creating a foundation of trust, appreciation, and burgeoning global security.

Furthermore, as the demand for Overseas Contingency Operations forces declines, there is opportunity to preserve operational National Guard capability by expanding the experience gained through the SPP. Using contingency forces in its 1 year of rotational availability permits it to prepare for 5 years with personnel costs that are a small fraction of the active component. National Guard units that are used for these purposes can offer the Combatant Commander the predictability and stability inherent in the operational RC, which in turn provides the benefit of continuity in sourcing and building long-term relationships.

The National Guard is ideally suited for providing support to Combatant Commanders. Soldiers with valuable civilian skills and expertise from professional, technical, and managerial fields in the private sector make up the National Guard. Moreover, retaining specific skill sets within particular units is possible because National Guard Soldiers characteristically spend their entire career in the same unit. Skill sets not only apply to those that are civilian acquired, but also military investments made in language training and cultural awareness. The National Guard's

proven track record in recruiting and retaining prior service personnel preserves the training expense already invested while on active duty.

The Afghanistan Agribusiness Development Program is a unique engagement program of the National Guard. The Agribusiness Development Teams provide training and advice to Afghan agricultural universities, provincial ministries, and local farmers, leading to increased stability and improved opportunities for Afghanistan's re-emerging agribusiness realm. Thanks to the National Guard, Afghanistan reports declines in poppy production and increases in harvests of apples, grapes, pomegranates, cherries, almonds, wheat, corn, alfalfa, and saffron.

DOMESTIC RESPONSE MISSION

Domestically, the National Guard is ready to respond on a moment's notice to any emergency, manmade or natural. The National Guard will have 10 Homeland Response Force units that are either dedicated to or dual-hatted for this critical homeland mission. These units will complement and enhance the existing civil-support structure in National Guard units across the Nation.

SOLDIERS, AIRMEN, AND FAMILY SUPPORT PROGRAMS

The National Guard seeks to provide exemplary support to our Soldiers, Airmen, and their Families. Programs, such as the Army's Warrior Transition Units (WTUs) and Community-Based Warrior Transition Units (CBWTUs), focus on caring for wounded warriors from across the Army. The Army National Guard supports the Army's WTUs and CBWTUs at all levels of the organization from squad leader to battalion commander.

The Yellow Ribbon Reintegration Program provides information, services, referrals, and proactive outreach to Soldiers, spouses, employers, and youth throughout the different stages of mobilization: pre-alert, alert, pre-deployment, deployment, post-deployment, and reintegration.

Our Citizen-Soldiers, who in their civilian lives are in positions of influence across the spectrum of business, education, and Government, make up the backbone of the National Guard Youth ChalleNGe Program (NGYCP). This award-winning, community-based program leads, trains, and mentors high school dropouts to become productive citizens in America's future. ChalleNGe has 32 sites in 28 States and Puerto Rico, offering a 5-month "military style" residential phase and a 1-year post-residential mentoring phase for unemployed youth ages 16–18. ChalleNGe saves States approximately \$175 million annually in juvenile corrections costs, while keeping youths off Federal assistance.

A GREAT VALUE FOR AMERICA

Investment in the National Guard is a great value for America. These brief examples display only a fraction of what we currently accomplish and I am confident that we can provide more in the years to come.

We must sustain the National Guard as a ready and accessible force. We must find a sustainable balance between operational utilization and overuse of these dedicated Citizen-Soldiers and Citizen-Airmen. The National Guard currently provides 35–40 percent of the Army and Air Force operational force for less than 7 percent of the base defense budget—precisely the type of efficiency the Department of Defense is seeking. With the proper disbursement of scarce defense dollars, the National Guard is an investment with a very high return.

Today and in the future, the National Guard will continue to simultaneously defend the Nation's interests overseas, support the homeland, and serve as an indispensable, cost-effective military option for the United States. For 375 years, our National Guard has proven itself a great value for America. With a deliberate decision to support the Reserve Component as an operational force, and the discovery of the critical balance between funding and use, the National Guard will be successful in fiscal year 2012, and emerge as an even greater value in the future.

CLOSING REMARKS

Thank you for the opportunity to be here today, I look forward to your questions.

Chairman INOUE. Bud. General Wyatt.

STATEMENT OF LIEUTENANT GENERAL HARRY M. WYATT III, DIRECTOR, AIR NATIONAL GUARD

General WYATT. Chairman Inouye and Vice Chairman Cochran, Senator Murray, Senator Coats, I also want to thank the sub-

committee for its support for the extraordinary men and women who serve in America's Air National Guard, some 106,700 strong.

I am privileged to have with me today the Command Chief Master Sergeant of the Air National Guard, my senior enlisted adviser, Chris Muncy from Ohio, who is seated behind me in the audience.

Before I get into the future of the Air National Guard, I would like to open with a brief review of 2010 before looking to the future of the Air National Guard.

Your Air Guard airmen continue to make a significant contribution to the Nation's defense, both here at home and around the globe. Last year, Guard airmen filled 52,372 requests for manpower. Eighty-nine percent of these requests were filled by volunteers. Forty-eight thousand five hundred thirty-eight served in Federal or title X status primarily overseas, with the bulk of those serving in Iraq and Afghanistan and surrounding areas.

But Air Guard members also served in Central and South America, Asia, Europe, Africa, and Antarctica. The Air National Guard is currently providing nine remotely piloted aircraft combat air patrols over Afghanistan and has been asked to do a 10th, which we will accept and take on.

And the Air Guard airmen serving in harm's way are not just flying airplanes. In fact, some of the skills in greatest demand are not in flight operations, but rather security forces, intelligence, computer support, and vehicle maintenance.

Domestically, your Guard airmen are helping with Southwest border security, the counterdrug program, and guarding the skies above our Nation in the Air Sovereignty Alert Mission. In addition, Guard airmen almost daily are in our communities protecting property and saving lives.

Guard combat search and rescue personnel in Alaska, California, and New York are frequently called upon to help search for lost hikers or rescue stranded climbers. The Air National Guard modular air firefighting units have supported the Forest Service in numerous missions and, in fact, have just returned from missions in western Texas.

Guard airmen also made significant contributions to earthquake relief in Haiti, the oil clean-up in the gulf, floods and tornadoes in the Midwest, and recently, the Hawaii Air Guard airmen even helped with the State flu vaccination program in public schools.

Every day, somewhere in America, there are Air Guard members supporting civil authorities and protecting our citizens. Congress' investment has created the greatest Air National Guard in the organization's history, but continued investment in the Air National Guard is critical for national security, and the Air National Guard continues to be a great value to America.

As we prepare for the future, the Air National Guard wants to build upon the lessons of the past. Today's Air National Guard integrates seamlessly into Air Force global operations because we have the same equipment with similar capabilities. And our Air Guard airmen maintain the same standards of training and education.

Our goal is to continue to be an equal partner through the Air Force's recapitalization and modernization process. Since 9/11, the Air National Guard has increased its role in domestic operations,

including participation in joint domestic response teams such as the new Homeland Response Forces that General McKinley referenced.

With continued support from Congress, we will continue to improve and enhance our ability to support civil authorities through prudent investment in dual-use capabilities.

Mr. Chairman, thank you and the members of the subcommittee. I am grateful for the opportunity to be here, look forward to your questions.

Thank you, sir.

Chairman INOUE. Thank you, General Wyatt.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL HARRY M. WYATT III

OPENING REMARKS

Chairman Inouye, Ranking Member Cochran, and distinguished members of the subcommittee; I am honored to appear before you today on behalf of the outstanding men and women serving in our Nation's Air National Guard. I would like to begin by expressing my sincere appreciation to the Committee for its tremendous support to the Air National Guard. Your work ensures America continues to have a ready, reliable, and accessible Air National Guard, responsive to our domestic needs as well as providing operational capabilities critical to the success of our Total Force. As we face increasingly limited resources and tight or declining defense budgets, we must accentuate the strength of the Air National Guard—our cost effectiveness.

AIR NATIONAL GUARD IN NATIONAL DEFENSE

Facing a need to reduce the Defense budget in response to domestic priorities and the need to sustain defense capabilities in light of growing foreign challenges, Secretary of Defense Melvin B. Laird put his faith in the Reserve Components. Secretary Laird wrote, "Within the Department of Defense . . . economics will require reductions in overall strengths and capabilities of the active forces, and increased reliance on the combat and the combat support units of the Guard and Reserves."¹ He understood that by increasing the readiness of the Guard and Reserves and then relying upon them "to be the initial and primary source for augmentation of the active forces in any future emergency"² the Nation would maintain its defense capability and capacity while decreasing the overall costs.

The U.S. Air Force leadership recognized that as the Nation's first military responder, increased reliance on the Reserve Components meant the Air Force Reserve and Air National Guard must be able to respond quickly and integrate seamlessly into any operation; they would require equipment and training comparable to the regular, active duty Air Force. The ANG, with significant help from Congress, began trading in its obsolete Korean War vintage equipment for newer, and in some cases brand new aircraft. The ANG also received additional funds for training, including modern flight simulators, and full-time Guard Airmen (Active Guard and Reserve (AGR) and Technicians) to oversee the increased training regimen.

Improved operational readiness brought with it a rejuvenated desire by Guard Airmen to do more than just train—to demonstrate their capabilities. ANG units began volunteering to augment the Regular Air Force by participating in ongoing operational missions around the world. To the customer, the Air National Guard became indistinguishable from the Regular Air Force. This was done within the fundamental framework of a part-time professional force.

Today's National Guard Airmen have been fighting alongside our regular, active duty and Air Force Reserve brothers and sisters since Operation Desert Shield in 1991, and they have proven to be equal partners in our Nation's defense. Last year (CY2010), Guard Airmen filled 48,538 manpower requests, and 89 percent of these Guard Airmen responded to the call voluntarily, without the need for "involuntary mobilization." They have served honorably in Iraq and Afghanistan, but also in Bosnia, throughout Africa, South America, Europe (including countries of the former

¹Melvin B. Laird, Memorandum to the Secretaries of the Military Departments, Subj: Support for Guard and Reserve Forces, August 21, 1970.

²Ibid.

Soviet Union), Korea, and, under Operation Deep Freeze, New Zealand and Antarctica.

The world is a very different place today than when Secretary Laird established the Total Force, but the underlying principle of the Total Force remains true: the Nation can maintain defense capabilities at less total cost through careful balance of Active Component and Reserve Component forces.

Secretary Gates has charged the Department “to generate efficiency savings by reducing overhead costs, improving business practices, or culling excess or troubled programs.”³ While our leadership is making tough decisions, we know the Air National Guard is well situated as a cost-effective answer in both our defense and domestic response roles.

The Air Guard provides a trained, disciplined, and ready force for a fraction of the cost. The Air National Guard savings are due to our part-time business model. Approximately 70 percent of our Guard Airman are traditional part-time professionals, meaning that they are only paid when serving or on active duty for training. Also, the Air National Guard seldom pays subsistence or housing allowances, or for permanent change of station moves for the members and their families.

Another key factor to our cost effectiveness is the infrastructure savings inherent in the Air National Guard basing model that not only allows us to operate efficiently, but also allows us to be a part of, and contribute to, communities across the country. With some of our leases costing as little as \$1 annually, the Air Guard is able to realize even more cost savings through its supporting infrastructure. In fact, for less than \$4 million annually through Joint Use Agreements, the Air National Guard provides stewardship to approximately \$12 billion in infrastructure.

DOMESTIC OPERATIONS

This year the Air National Guard began a process to better define and prepare for its role in domestic operations. In CY2010, 3,739 National Guard Airmen performed domestic missions under Title 32 including U.S. air defense, border security, counterdrug operations, and search and rescue. Many other Guard Airmen were called to State Active Duty by their governors to augment local police forces and help with disaster relief.

Many are unaware of the contributions and skills our Guard Airmen provide to domestic support. The Air National Guard has particular core capabilities for which we are uniquely trained and equipped. Many have been used in the past year alone, to include: Air Defense (Air Sovereignty Alert); Air Traffic Control; Airlift (transportation, supply, and evacuation); Civil engineering; Specialized medical care; Law enforcement; Aerial firefighting; Mortuary affairs; Urban search and rescue; and Communications.

The Air National Guard’s support to civil authorities is based upon the concept of “dual use,” i.e., equipment purchased by the Air Force for the Air National Guard’s Federal, combat mission, can be adapted and used domestically when not needed overseas. For example, an Air National Guard F-16 wing contains not only F-16 fighter aircraft but fire trucks, forklifts, portable light carts, emergency medical equipment including ambulances, air traffic control equipment, explosives ordinance equipment, etc., as well as well trained experts—all extremely valuable in response to civil emergencies. If the F-16 wing converts to a non-flying mission or even a Remotely Piloted Aircraft mission, much of this equipment may leave with the F-16 aircraft. As the Air Force proceeds with its recapitalization and modernization plans, we need to ensure our citizens are not left without essential disaster response capabilities.

Looking to the future, the Air National Guard recognizes the growing importance of its domestic response capabilities and the many threats to domestic peace. Our Airmen are working closely with the National Guard Bureau, USNORTHCOM, the Department of Homeland Security, as well as other local, State, and Federal agencies to help identify and fill capability gaps in the U.S. regional response framework.

CLOSING REMARKS

Our National Guard Airmen have proven themselves to be ready, reliable, and accessible in recent actions here at home and overseas. Every dollar spent on the Air National Guard provides our Nation an unmatched return on investment. Given adequate equipment and training, the Air National Guard will continue to fulfill its Total Force obligations and seamlessly integrate into the Joint theater operations and respond to domestic emergencies.

³Robert M. Gates, Statement on Department Budget and Efficiencies, January 6, 2011.

We need your help to ensure that the Air National Guard of tomorrow is as a ready, reliable, accessible, and cost effective as it is today.

Thank you for the opportunity to be here today, I look forward to your questions.

Chairman INOUE. General Carpenter.

STATEMENT OF MAJOR GENERAL RAYMOND W. CARPENTER, DIRECTOR, ARMY NATIONAL GUARD

General CARPENTER. Chairman Inouye, Vice Chairman Cochran, Senator Murray, Senator Coats, it is my privilege and honor to be here today to represent 360,000 plus soldiers in the Army National Guard. Of those soldiers, nearly 34,700 are currently mobilized, and more than half have had combat experience.

The sacrifice of these soldiers, their families, and employers is something we not only acknowledge, but deeply appreciate. Today, I wish to thank you for the opportunity to share relevant information about the Army National Guard and also thank you for your continued support.

I am accompanied today by Command Sergeant Major Burch, the senior enlisted soldier in the Army National Guard and Nebraska guardsman, and Command Chief Warrant Officer Nisker, the Senior Command Chief Warrant for the Army National Guard.

The last decade has seen the Army National Guard transform to an operational force. The congressional initiatives and investments in the Army National Guard have contributed to our transformation and enhanced readiness as we continue to deploy in service to our Nation.

Recent initiatives include soldier and support programs that allow us to recruit and retain the best and brightest. You have supported the resourcing for equipment modernization for our brigade combat teams, including One Stryker Brigade and our Combat Aviation Brigades, among other forces inside the Army National Guard.

Through the support of this subcommittee, our Nation has invested billions of dollars in equipment for the Army National Guard in the past 6 years. The delivery of that equipment has nearly doubled our equipment on-hand rates for the critical dual-use equipment over the last 5 years.

I would be remiss if I did not point out how important NGREA and, again, the work of this subcommittee have been in modernizing and equipping the Guard. This year, we have achieved a critical dual-use equipment. That is equipment that has utility both in the war fight and homeland. The fill rate is 89 percent, 76 percent on-hand in the units available to the Governors should they need it tonight.

The Army National Guard Aviation Program is a great example. Both fixed- and rotary-wing aircraft have provided huge benefits in support of domestic and overseas operations since 9/11. Army Guard aircraft regularly respond by transporting emergency supplies and personnel during floods, wildfires, during the *Deepwater Horizon* oil spill, and most recently, the tornadoes across the South and flooding we are now experiencing from Minnesota to Louisiana.

Army Guard aviation provides a critical dual-use capability, whether in the mountains of Afghanistan or the Mississippi Delta. Through your efforts, we have come a long way in moving to modernize our aircraft from the venerable Huey to the LUH-72, UH-

60 Lima and Mike models, CH-47 Delta Chinooks, and the AH-64 Delta Apaches. Again, we are well on our way in the modernization effort, but there remains work to do.

Turning to our human dimension, we have learned a lot about support to our soldiers, their families, and employers over the past decade. It is critical that we work to ensure our force is employed, that they are physically and mentally fit, and that we understand the stresses that we ask them to endure, whether deployed or at home.

It is vital that we continue to fund soldier and family outreach programs. In calendar year 2010, the number of reported Army Guard suicides nearly doubled—62 in calendar year 2009, compared to 113 in calendar year 2010. Within the Army Guard, we have set a goal to cut that number by one-half to 60 in 2011, knowing full well 1 suicide is too many.

Most States have developed comprehensive social support and mental health initiatives. These programs emerged out of a need to strengthen soldier resilience. Several of our States, including Michigan, Nevada, Nebraska, California, Wisconsin, Kansas, Hawaii, Vermont, and Illinois, have innovative resiliency programs. Across the Nation, the adjutant generals are committed and actively engaged in this effort. I credit them with the current downward trend we are experiencing in reported suicides.

The Nation will benefit from the past investment and experience of the Army National Guard in the future. In a budget-constrained environment, the operational Army National Guard is a cost-effective solution.

Again, I would like to acknowledge the critical role this subcommittee has played in building and sustaining the best National Guard I have seen in my career of nearly four decades. I look forward to your questions and comments.

Chairman INOUE. Thank you very much, General.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL RAYMOND W. CARPENTER

OPENING REMARKS

Chairman Inouye, Ranking Member Cochran, distinguished members of the subcommittee; I am honored to appear before you today, representing 360,000 plus Citizen-Soldiers in the Army National Guard, an organization that is historically part of the foundation of our great democracy.

CITIZEN SOLDIERS AS PART OF THE OPERATIONAL FORCE

Our Army National Guard (ARNG) is approaching a decade of war with an all-volunteer force. Our Army National Guard Mobilizations in Support of Overseas Contingency Operations in fiscal year 2010, including Soldiers who have mobilized multiple times, were 41,744 for Operation Enduring Freedom (Afghanistan) and Operations Iraqi Freedom and New Dawn, and another 3,054 mobilizations to the Balkans, Sinai, and elsewhere around the world. A staggering 477,323 Soldiers have been activated since 9/11, and 34,700 Soldiers are currently mobilized as of March 5, 2011.

We are an operational force in a transition mode within the ARFORGEN rotational cycle. To the credit of our Soldiers and their leaders, we are experiencing huge successes in our homeland defense and overseas missions. We continue to see young and not-so-young people who want to join and serve in the ARNG. Just as impressive are the retention rates of our current serving force; most are combat veterans who make the decision to continue to serve at historic rates; they clearly understand we are at war. Our reenlistment rate as of EOM February 2011 for enlisted Soldiers is 72.4 percent of our total force and 73.8 percent of our Soldiers with

Mobilization experience. These retention numbers are especially impressive when we consider that at the end of fiscal year 2010 the average dwell time for our Soldiers with mobilization experience was 2.4 years. As a first step, the Army goal is to achieve 4 years dwell by 2014, but balancing the force will not happen overnight.

The experience we have gained since 9/11, the modern equipment fielded, the training delivered to our Soldiers, and the frequency of deployments, have resulted in a highly seasoned, well-equipped combat force. As of end of month December 2010, 53 percent of ARNG Soldiers are combat veterans; more than half of our force—and we hope to retain that level of experience. Our force has truly become an operational force. At the end of fiscal year 2010, 84.45 percent of ARNG forces were Duty Military Occupational Specialty (MOS) Qualified—an escalating increase from 73.27 percent at the end of fiscal year 2008 and 83.06 percent in fiscal year 2009. The experience of our Army National Guard in recent years has strengthened our Soldiers and units to the benefit of our Nation like no other time in recent history. Several high-level research studies have been commissioned to guide the future of our Army National Guard operational force including an OSD-RA study and the General Reimer study. Ultimately, these studies agree that for a relatively modest investment, an Operational Army National Guard can be sustained. In return, the Nation will benefit from the past investment and experience of the ARNG. In a budget-constrained environment, the Army National Guard is an extremely cost-effective, substantially paid-for option that the Nation needs to sustain. It is important that we maintain our key force structure elements of 8 Divisions, 8 Combat Aviation Brigades, and 28 Brigade Combat Teams (BCTs).

EQUIPMENT AND CRITICAL DUAL USE

Our Nation has invested over \$37 billion in equipment for the Army National Guard in the past 6 years. That investment was made in both Critical Dual Use (CDU) and other required equipment, used for both domestic homeland crisis response missions and overseas contingency operations. Overseas contingency operations have spurred improvements in the capacity of the ARNG to support the war effort, to respond to natural and man-made disasters, to provide critical assistance during State and national emergencies, and to be prepared to respond to potential terrorist attacks in defense of the homeland. Our homeland response enterprise includes 10 Homeland Response Forces (HRFs)—2 validated in fiscal year 2011 and 8 in fiscal year 2012, 17 Chemical, Biological, Radiological, Nuclear and High Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs), and 57 Civil Support Teams (CSTs).

CDU equipment includes tactical radios, rotary aircraft, ground transportation vehicles, and digital command and control enablers. The Army has made significant efforts to improve the ARNG CDU equipment posture and remains committed to ensuring the ARNG has the CDU equipment required to support Homeland Defense/Homeland Security (HLD/HLS) and Defense Support to Civil Authorities (DSCA) operations. To highlight this level of commitment, ARNG equipment-on-hand rates for Critical Dual Use equipment are projected to increase to 94 percent by October 2012. That's an increase of 19 percent over the 4 years since the ARNG began monitoring CDU rates.

During fiscal year 2010, the ARNG received over 154,000 pieces of new equipment valued at \$9.8 billion. With this influx of new equipment, the on-hand percentage for all equipment is currently at 92 percent and continues to be maintained at levels greater than 90 percent. The Army continues to improve the equipment on hand and modernization levels for the Army National Guard. The Army views this as critical for the ARNG to be employed as an operational force. The Army Equipping Strategy established equipping aim points for units as they progress through the Army Force Generation (ARFORGEN) process which will help build unit readiness and maintain unit parity in terms of both modernization and interoperability.

QUALITY FACILITIES

The Army National Guard is a community based force. As such, our facilities are often the foundation for community support of an all-volunteer force. The ARNG has made some great progress with several LEED (Leadership in Environmental and Energy Design) Silver certified facilities meeting the qualifying requirements for recycled material usage, natural lighting, and energy conservation. We have further opened the call for volunteer installations to take part in Army IMCOM's Net Zero initiative. The ARNG, however, still has much work to do to provide quality facilities to perform our dual mission across the 54 States and Territories. Quality facilities link directly with Soldier readiness, family, youth, and morale programs such as Yellow Ribbon and Youth Challenge. The ARFORGEN model requires increased

usage of ARNG facilities. Forty percent of ARNG readiness centers are more than 50 years old and require substantial modernization or total replacement to meet the needs of an operational force. To achieve quality in facilities, we have thus far executed 99 percent of Milcon funds in fiscal year 2010 and estimate we will need \$774 million in Milcon dollars for fiscal year 2012.

AVIATION SUPPORT

The Army National Guard (ARNG) aviation program, both fixed and rotary wing aircraft, provided huge benefits in supporting Domestic Operations this past year. Every year offers ARNG aviation a new set of challenges. Last year, fixed-wing aircraft transported emergency supplies and personnel during floods, wildfires, and other emergencies across the Nation and throughout the gulf coast during the aftermath of the Deepwater Horizon oil spill. During the oil spill recovery effort, ARNG aviation crews logged 3,722 hours and moved over 16 million pounds of cargo. The Operational Support Airlift Agency provided critical combat support by transporting blood donations and Wounded Warriors across the United States. Fixed-wing aircraft also transported much-needed supplies and personnel to Haiti after the January 2010 earthquake. At home and abroad, these aircraft flew 53,029 hours, completed 11,312 missions, transported over 3.5 million pounds of cargo, and carried more than 70,000 passengers.

Rotary wing units and aircraft in fiscal year 2010 flew approximately 50,000 hours in civil support. These missions included support of disasters and declared emergencies in which Guard aviation displayed versatility and flexibility such as responding to the largest oil spill to affect the United States, the Deepwater Horizon spill. ARNG rotary wing crews flew missions such as sand bag emplacement, personnel evacuation, engineer damage assessment, and law enforcement agency support. In Haiti the Puerto Rico National Guard flew two UH-60s based out of the Dominican Republic in support of the American Embassy in Port-au-Prince giving an early signal that help was on the way to support the restoration of health services. ARNG Security and Support aircraft and crews continue to provide planned support to counterdrug operations nation-wide and notably along the Southwest border. Our aviation forces responded to floods in Arizona, North Dakota, Louisiana, and West Virginia; provided wildfire support in Minnesota; and flew search and rescue missions in California, Colorado, New Mexico, Nevada, and Oregon. ARNG rotary wing missions crossed the full spectrum of domestic support.

ARNG fixed wing and rotary wing capabilities have been and continue to be a critical dual use asset that the Army and Adjutants General rely heavily upon. The operational tempo of our ARNG aviation units continues to be elevated as overseas commitments and domestic support requirements remain steady.

Army National Guard aviation not only supports Domestic Operations such as responses to hurricanes, oil spills, search and rescue operations, forest fires, floods, and weather emergencies, in addition, we continue to support overseas deployments such as Operation Enduring Freedom, Operation New Dawn, and Kosovo. We do so with an aging aircraft fleet. Since 2001, the ARNG has retired over 600 legacy aircraft and fielded 300 modernized aircraft. The ARNG is simultaneously modernizing aircraft to reduce sustainment costs, increase readiness, and support interoperability for the deploying force. ARNG aviation also includes Unmanned Aircraft Systems and related Ground Support Equipment. Aviation and related support systems remain persistent items of interest on modernization priority lists.

The Army needs to continue its modernization plan if the ARNG is to meet current and future demands in the Homeland and on missions abroad. The ARNG fleet currently has shortfalls in CH-47 Chinook and AH-64D Apache airframes.

The Assistant Secretary of the Army (Acquisitions, Logistics and Technology) recently directed the Program Executive Office—Aviation to divest the C-23 Sherpa aircraft not later than December 31, 2014. In accordance with Army guidance, the ARNG developed a plan to retire the 42 existing C-23 aircraft in 2011–2015. The 2010 Vice Chief of Staff, Army capability portfolio review directed a requirements-based assessment on the need for Army utility fixed wing aircraft. The ARNG expects more fidelity from HQDA in the coming months on the number of utility fixed wing aircraft the ARNG will continue to retain and operate to meet Army fixed wing requirements.

NATIONAL GUARD AND RESERVE EQUIPMENT APPROPRIATION

The National Guard and Reserve Equipment Appropriation (NGREA) is a special Defense Appropriation that complements each Service's base appropriation. NGREA is intended to procure critical modernization items of equipment that the base appropriation is not able to fund.

The Army's goal is to ensure that ARNG units are equipped properly with Critical Dual Use (CDU) capabilities to execute Homeland Defense and Defense Support to Civil Authorities (HLD/DSCA) missions effectively. These missions include Federal such as overseas deployments and state such as disaster relief in support of the governors. Our specific ARNG goal is to equip the ARNG with over 80 percent of the CDU requirement. The Army has committed to keeping CDU equipment levels above 80 percent on hand. According to the National Guard and Reserve Equipment Report (NGRER) 2010 report, the ARNG has the following key equipping challenges: Achieving full transparency for procurement and distribution; equipping units for pre-mobilization training and deployment; equipping units for their Homeland Missions; modernizing our helicopter fleet; and modernizing our Tactical Wheeled Vehicle (TWV) fleet.

The above challenges involve obtaining a full complement of "heavy tactical vehicles, small arms, communications systems, field artillery systems, and combat systems" (NGRER, 2010, p. 1-8)

MILITARY CONSTRUCTION (MILCON)

Currently, 40 percent of our Readiness Centers are over 50 years old. Not only do many of these facilities fail to meet the needs of a 21st century operational force, many fall short of DOD, Federal, or State building standards and requirements to include: anti-terrorism/force protection, energy efficiencies, and Americans with Disabilities Act (ACT) requirements. The Army National Guard fiscal year 2012 military construction request for \$774 million is focused on improving this situation and making additional Milcon improvements in the categories of Grow the Army, Modernization, Transformation, Training Support, and Planning and Design and Unspecified Minor Military Construction. Under the Grow the Army category, we are submitting a request of \$101 million for 11 Readiness Centers. These new Readiness Centers will be implementing the energy efficiencies. For Modernization, our budget request includes \$197.7 million for 11 projects including readiness centers and aviation support centers in support of our modern missions. For Transformation, we are requesting \$197.9 million for 10 projects which include 3 Tactical Unmanned Aircraft System Facilities (TUAS), 5 Readiness Centers, 1 Army Aviation Support Facility, and 1 Field Maintenance Shop. For Training Support: In fiscal year 2012, the Army National Guard is requesting \$245 million for 16 projects which will support the training of our operational force. These funds will provide the facilities our Soldiers require as they train, mobilize, and deploy. Included are five Operations Readiness and Training Complexes (ORTC), seven range projects, one Maneuver Area Training and Equipment Site (MATES), one railhead expansion and container facility, and two deployment processing facilities. For Other Support Programs, our fiscal year 2012 Army National Guard budget contains \$20 million for planning and design of future projects and \$12 million for unspecified minor military construction to address unforeseen critical needs or emergent mission requirements.

Lack of a fully funded Milcon request creates a significant backlog for construction projects. Deficiencies primarily exist in four main areas within ARNG facilities: readiness centers, training facilities, maintenance facilities, and infrastructure. The funding backlog for readiness centers is \$30.3 billion; the majority of these facilities cannot meet anti-terrorism/force protection (AT/FP) requirements.

ARNG RESILIENCE

People are our most precious resource. The quality of the Citizen-Soldiers of the Army National Guard is unprecedented. However, we are experiencing a troubling increase in the incidence of suicides. In calendar year 2010, the ARNG suicide rate nearly doubled; the number of ARNG suicides for calendar year 2009 and calendar year 2010 were 62 and 112, respectively. Ninety-one percent of the ARNG Soldiers who committed suicide were Traditional Drilling Guardsmen vs. full-time Army National Guard and are not eligible for many of the support services available to the AC or our Title 32 Active Guard and Reserve Soldiers. Some had deployed in support of Army operations and over half had not deployed or were still in the process of being indoctrinated into the ARNG. While we do not know what triggers their decisions, we do know that the stressors that may affect their outlook such as employment, relationship issues and previous behavioral health issues must be identified and mitigated to promote their welfare and well-being. Subsequently, the ARNG is teaming with DOD and the Army to incorporate Traditional Drilling Guardsmen into future studies such as the Study to Access Risk and Resilience in Our Service Members (STARRS).

The ARNG has made the promotion of Resilience and Risk Reduction with a corresponding decrease in suicidal behavior our top priority. The ARNG has developed

a holistic approach to enhance the resilience and coping skills of our Soldiers, Families, and Civilians by promoting risk reduction through leadership awareness, training and intervention programs. The ARNG Resilience, Risk Reduction and Suicide Prevention Campaign Plan was developed to promote an integrated program of prevention, intervention and mitigation at all levels. This document nested all other collaborative efforts within DOD, Army and NGB to promote unity of effort and synchronize our objectives. The plan was also distributed to State Leadership to shape and focus their efforts on improving the mental, physical, and spiritual health of their Soldiers and Families throughout our formations.

Since our Citizen-Soldiers are reflective of society as a whole, it comes as no surprise that in-depth analysis indicates the increased ARNG suicide rate may correspond to an increasing national trend in at-risk and suicidal ideations and attempts. In addition to our efforts to promote Soldier resilience, the ARNG leadership also recognizes the role of ARNG Families, Peers, and Employers as providing the foundation of each Soldier's support network. These groups are present in the Soldier's life between their traditional drill periods and have the ability to identify and address negative behaviors before they lead to functional impairment or at-risk behaviors. The ARNG provided the States with training programs for both family members and employers to assist in identifying those that should be referred to unit leadership for assistance and the applicable support services available in their community. States have capitalized on community based resources and solutions to provide services beyond the installation.

The ARNG resourced 54 Suicide Prevention Program Managers in the States in fiscal year 2010 and trained over 200 Master Resiliency Trainers assigned to brigades and battalions. We are striving to help each of our Soldiers become ready and resilient. For instance, the ARNG Leader's Guide to Soldier Resilience was developed to provide "battle drills" for common Soldier issues; this publication complements the ARNG CSM's Soldier to Soldier Peer Support program promoting "Buddy Aid" including basic intervention skills and trigger points for referrals or emergent care. The ARNG CSM has emphasized the roles and responsibilities of leadership during his two national CSM conferences this past year. Our Soldiers and families are encouraged to take the Global Assessment Tool, which identifies individual resilience levels and uses the self developmental modules to increase self awareness and resilience. Additionally, we increased collaboration with the Army Center for Substance Abuse in order to address substance abuse prevention, outreach and treatment for Soldiers, as well as Leaders and Families, so they understand their roles. Our efforts to increase assets available to Commanders to improve Soldier resilience include partnerships with national and community organizations such as the American Red Cross, Substance Abuse and Mental Health Services Agency, counselors and clergy, and use of the Army's Comprehensive Soldier Fitness Program.

Within the Army National Guard, we have set an ultimate goal of zero suicides. Our current count is 12 suicides so far this calendar year versus 22 this time last year. At this time it is too early to determine State level trends but we will continue to monitor them. Several States have developed comprehensive social support and mental health initiatives. These programs emerged out of a need to promote Soldier and family resilience and reduce potential stressors including employment and financial issues, domestic strife and promoting reintegration following deployment. Several of our States including Michigan, Nevada, Nebraska, California, Wisconsin, Kansas, and Illinois have innovative resilience programs and the National Guard Bureau is encouraging the exchange and expansion of best practices. The Army National Guard, in conjunction with the Active Army, the Department of Defense, the Department of Veterans Affairs, and each of the States, territories, and District of Columbia has made turning this trend around a priority. Many more efforts too numerous to cover here are ongoing and I am confident that, as a team we will turn this trend around. In the end, I believe the Soldiers and Families of the Army National Guard will be more resilient and ready in the service to the communities, States and the Nation.

While the ARNG is making great strides within States to integrate suicide prevention, intervention, and risk mitigation at all levels, more work needs to be done in this area. Desired ARNG capabilities, in terms of resilience, risk reduction, and suicide prevention, include emergent care and treatment for ARNG Soldiers regardless of status; behavioral health and substance abuse treatment for Soldiers, regardless of status; resources to train and support State Resilience and Crisis Intervention personnel; and embedded behavioral health capability at the brigade level to promote healthy lifestyles and provide early identification of the potential at-risk Soldiers. After a nearly decade-long era of "persistent engagement," ARNG families have been truly remarkable and their health and well-being are absolutely critical

to the security of the Nation. The services are vital to sustain our role as an operational force as well as promoting the continuum of care for those AC Soldiers who will transition to the RC during the upcoming reduction in the Army's end strength.

Acknowledging unemployment as a stressful challenge affecting our Soldiers and Families, the Army National Guard implemented employment outreach as a necessary step in building resilience. The Job Connection Education Program is an employment initiative designed to help improve quality of life for unemployed or under-employed Soldiers. This program focuses on how Soldiers seek, obtain, and retain civilian employment.

In 2009, the Army Reserve and the Army National Guard became partners in a collaborative effort to build relationships with employers. In 2010, the employment program was renamed to the Employer Partnership Office (EPO). The goal of the EPO program is to create employment opportunities for Soldiers by establishing a good working relationship with the private sector. The program, in 2011, is known as the Employer Partnership of the Armed Forces. Members from all the Reserve components, their Families, and Veterans have access to the tools and benefits of this program.

Of most importance is the effort to build resilience in our Soldiers. We are training "Master Resilience Trainers" and "Resilience Training Assistants" both of whom are Soldiers with acquired resources and insights. They will be assigned to every Company-size unit and will be responsible for teaching Soldiers coping skills. There are many more efforts too numerous to cover here that are ongoing and I am confident that, as a team we will turn this trend around. In the end, I believe the Soldiers and Families of the Army National Guard will not just be physically strong, but will be an emotionally and spiritually stronger force in service to our States, territories, District and Nation.

MEDICAL READINESS

Medical readiness of the Army National Guard is one of our highest priorities and as such we have provided the States with additional resources in support of the medical readiness mission. A national Case Manager/Care Coordinator contract has been in place since 2006 to assist in supporting the management of Soldiers identified with medical conditions that prevent deployment. Currently 100 Nurse Case Managers and 328 Care Coordinators are supporting all medical issues to ensure Soldiers have the best opportunity to regain medical deployability status.

In the past 2 years we have added full-time Medical Readiness NCOs (Non-Commissioned Officers) located in Battalion and above organizations. Medical Readiness NCOs are responsible for the identification of medical conditions which may require some action by the case management team and serve as the medical readiness advisor to the commander.

Medical care has always been in place to support any Soldier in the ARNG with an injury or illness proven to be in the Line of Duty (LOD). The care is coordinated with the Military Medical Support Office through our Joint Force Headquarter Health Systems Specialist (HSS). Medical care provided based on a LOD is limited to the condition that occurred while in a duty status.

Additional efforts have been made administratively to provide assistance to those Soldiers identified that have certain medical conditions. The ARNG Medical Management Processing System was introduced this past December and provides a framework to manage Soldiers identified with medical conditions through the complexities of our healthcare systems. Effective use of this framework can assist in the return of Soldiers into our formations or into the Physical Disability Evaluation System (PDES).

In an effort to assist reserve component Soldiers who were having difficulty in negotiating through the Army PDES, the Army established the Reserve Component Soldier Medical Support Center. The purpose of the RC SMSC is to expedite and assist Soldiers with PDES processing and ensure packets going through this system are complete, validated and tracked through the Electronic Medical Board system (eMEB). We are currently validating our numbers, however, it appears up to 12,000 Soldiers in the ARNG may require processing through the Medical Evaluation board/Physical Evaluation Board (MEB/PEB).

When preparing our Soldiers for mobilization much time and effort is taken to ensure all Soldiers meet the medical standards as outlined by the theater of operation. Today, units arrive at mobilization stations with over 90 percent of all Soldiers in the ARNG arriving at the mobilization station ready for deployment. The other 10 percent have minimal medical actions required in order to clear them for deployment. With that said less than 1 percent of the ARNG Soldiers sent to mobilize

come back to the State with an identified medical concern that prevents them from deploying into their theater of operation.

Since September 2001, 640 ARNG Soldiers have paid the ultimate sacrifice in combat operations while 5,152 were wounded in action. As of March 7, 2011 the ARNG has 1,795 Soldiers assigned to the Warrior Transition Unit (WTU), 1,481 assigned to the Community Based Warrior Transition Unit (CBWTU) with a combined population of 3,276 Soldiers currently assigned. The cumulative numbers of Soldiers assigned since September 2001 is 29,007. Additionally, 5,164 Soldiers have been wounded in action and 10,702 suffered from disease or non-battle injuries while deployed in support of contingency operations.

Soldiers who have deployed in support of a contingency operation have additional medical resources to call upon when the need arises. All Soldiers who deploy are eligible for TRICARE Early Eligibility 180 days prior to mobilization and 180 days post mobilization through the Transitional Assistance Management Program (TAMP). Eligible family members are also able to participate in TRICARE during the Soldiers mobilization. Soldiers can also enroll in the Department of Veterans Affairs (VA) healthcare system during demobilization. Recently discharged combat Veterans are eligible to take advantage of an enhanced healthcare enrollment opportunity for 5 years after discharge. After the 5 year period, these Veterans will still be able to apply for health benefits with VA, but will have their status for receiving VA healthcare determined under normal VA procedures that base healthcare priority status on the severity of a service-connected disability or other eligibility factors. This would mean some Veterans could face income or asset-based restrictions, as well as delays in establishing their VA healthcare eligibility while their disability status is determined.

Providing care for our Soldiers who have never deployed has improved since Congress passed legislation in 2008 to support participation in the TRICARE network via TRICARE Reserve Select (TRS). TRS is a premium based health plan available for members of the Ready Reserve and their family members. Current premiums are \$53.16 per month for member only coverage and \$197.76 a month for member and family coverage. Although that might not seem like a lot of money, for a junior enlisted Soldier that could mean his or her entire monthly drill check going to pay for healthcare premiums. As of January 2011, 15,769 Soldiers are currently enrolled in TRS in the Army National Guard. The ARNG is focusing on reducing the number of medically non-deployable Soldiers within our formations, but without a full-time healthcare benefit medical readiness remains a challenge.

CLOSING REMARKS

I appreciate the opportunity to be here today and invite your questions and comments.

Chairman INOUE. And now, may we begin the questioning?

General McKinley, as we noted, the equipment levels of the Army and Air Guard have improved significantly, and I think it is due partly to the funding provided by Congress. The Army Guard now is 77 percent of the equipment requirements, up from 40.

Now, I have two questions, General. Have these increases improved readiness? And second, what additional equipment challenges remain?

General MCKINLEY. Chairman Inouye, I agree explicitly with your comment. We have really had a marvelous turnaround in our equipment fill rates. And I say that because your adjutants general tell me that. And my predecessors, our predecessors, working with your subcommittee, you know, put a line in the sand and said we need your help.

And through the National Guard and Reserve equipment account, we have been able to fill out most of our critical needs. For us, the dual-use critical needs that can be used overseas and here at home to protect lives and property.

I can assure you that it has improved readiness, and I will turn to my two colleagues to give you specific examples. But we cannot rest on our laurels. And that is the key for this operational force.

This operational force did not just happen. It came on the backs of the taxpayers in this great country and by the fact that this subcommittee watched out for its National Guard and Reserve so carefully.

After every major conflict that our country has faced and finished, the Guard and Reserve have been put back on a shelf to allow to deteriorate and go back to a state of unreadiness. And I think that my colleagues here at this table would ask that we not squander those gains because it has come at a great price. And we do have a magnificent National Guard today that all of you have seen, as you have gone home to visit.

Ray, can you comment on the specific readiness improvements?

General CARPENTER. Senator, I would tell you, in the Army National Guard over the last 6 years what we have witnessed is fill rates inside of the organization that we never experienced before. We were short when we started into this global war on terrorism about 10,000 Humvees. We have all those Humvees now.

The task now is modernization of equipment. We have nearly 60 percent of our UH-60 Alpha model fleet that needs to be modernized over the next 7 years, and we have a plan, along with the Army, to make sure that that happens.

We are still in the business of modernization in terms of our wheeled vehicle fleet, both in terms of medium trucks and heavy trucks. We have got shortfalls in communications equipment, night vision goggles, and some of the weapons systems. So even though we have the fill of the equipment, much of it is legacy, and the work left to do is modernization in the Army National Guard.

General WYATT. The Air National Guard has been fortunate in the past, oh, 10, 15 years in that the Air Force has relied upon us to be that operational force and has funded us adequately to do that. The issues today, however, are twofold for the Air National Guard, very similar to the issues that the United States Air Force faces, and that is we have a lot of old equipment.

We have a recapitalization plan that we are working with the United States Air Force. We, to remain an operational force, need to be recapitalized concurrently at the same time as our active brothers and sisters and in a balanced fashion across all three of the components.

To the extent that we must continue to rely upon legacy equipment—and we will continue to do that—modernization becomes the key. And this is where the NGREA account and the support that we have gotten from Congress has been significant and will be critical in the out-years. Because we know we are going to have to rely upon some of these legacy aircraft, some of these legacy systems, to remain that operational force that the country needs and that the Air Force needs.

Right now, our equipment on hand is around 88 percent. Historically, it has been a little bit higher than that. With the current funding in the out-years, unfortunately we see that percentage dropping 1 to 2 percent per year through the next 4 or 5 years without any additional support.

So that is where the key support from Congress that we rely upon is to make sure that we use those monies smartly to make sure that our legacy systems are modernized for not only the over-

seas fight, but for the domestic protection of our citizens here at home.

Chairman INOUE. Gentlemen, it has been suggested that in order to maintain effectiveness and readiness, family support services are absolutely essential. We have heard a lot about Yellow Ribbon. Can you tell us the present status of it?

General MCKINLEY. I think from my perspective, Senator Inouye, these last 10 years have been a challenge for the National Guard that they have met, in that our force was never designed in the 20th century for what it has been asked to do in the 21st century. A huge burden of that redesign has come on the backs of our employers and our families.

Our traditional strategic force very rarely took employees in large numbers out of our local businesses, industry, police forces, firemen. That has changed dramatically. Our employers deserve a great deal of credit for that.

Most importantly, and to your question, Yellow Ribbon. How do we bring our returning airmen and soldiers home, reintegrate them with their families, give them the care, and the necessary outreach that brings them back here, to treat their medical issues, to treat the issues that they experienced while they were deployed, and then to have those families come back together as a unit?

I think Yellow Ribbon, and through the support of this subcommittee, has done a great deal to bring us back together as a family and a team. Our communities have done a great job. Our Governors in our States, territories, and the District have done exceedingly well. But we are still on the leading edge of this, and we will have decades to go to make sure we do not leave any guardsman or woman behind.

Ray, would you like to comment on Yellow Ribbon?

General CARPENTER. Yes, sir.

Senator, as you well know, the structure of the Reserve component is a geographically dispersed force that we only see in most cases once a month. And so, the challenge is how do we provide the same kind of service that our soldiers or the soldiers in the active component get from their installations? And Yellow Ribbon has been critical in that effort.

In fiscal year 2011, we have conducted over 500 events. We have touched over 34,000 soldiers and families in that process. And it has been critical for us not only to maintain contact with those families and with those soldiers, but to provide the support and care that is necessary for them to sustain themselves and to make sure that we can maintain the Army National Guard that I described in my opening statement.

General WYATT. The Yellow Ribbon has been critical, I think, for the support of our airmen, both pre-deployment, during deployment, and post deployment. I have gone out to the States on several occasions and helped to present some of those programs to our airmen in the field.

And the thing I want to do is take my hat off to the adjutants general because I think they have done a marvelous job of leveraging the resources provided through the Yellow Ribbon program with volunteers within their States, with some of the re-

sources provided by some of the State agencies to take care of our airmen.

I can give you a practical example of how we in the Air National Guard have specifically relied upon the Yellow Ribbon program to address the suicide issue that General Carpenter mentioned on the Army National Guard side of the house. We have the same issues in the Air National Guard side of the house, and we feel the strength of our organization is at the wing level.

We have 89 wings in all 50 States, Guam, Puerto Rico, Virgin Islands, and the District of Columbia. And we made a decision this last year when funding was not available for embedded mental health professionals in each of the wings to use some of the Yellow Ribbon program to access the mental health professionals and place them at the wing locations. Had it not been for the Yellow Ribbon program, we would probably have not been able to do that.

We are seeing significant improvements this year versus last year. We had 19 suicides in the Air National Guard last year, an all-time high. At this point in time last year, we had seven. So far this year, we have two. Some of the credit to that I am sure belongs to the Yellow Ribbon program and the health professionals that we have at each of the wings.

Thank you.

General MCKINLEY. Senator, I am a little concerned—if I could just put something on the table for discussion—that most of the funds for our family programs are in overseas contingency operations (OCO) funding, supplemental funding. And had it not been for this subcommittee to provide monies that the Army and the Air National Guard could redirect to Yellow Ribbon and other things, we would not have that money in the budgets.

And our Army and our Air Force realize that, and they are working hard with us to try to build these family programs into the base budget. But as you know, that will be a challenge in the future. So we continually depend on your help to make sure that the National Guard doesn't get left behind in the critical programs that I said will take decades to overcome. And we thank you.

Chairman INOUE. I can assure you that this subcommittee, if we are to send men and women into harm's way, make certain they are properly equipped and properly trained. That is our promise.

I have many other questions relating to suicides and the Southwest border mission and equipment shortfalls, but I will submit them to you, if I may?

And now may I call upon the vice chairman?

Senator COCHRAN. Mr. Chairman, thank you.

I am curious to know what the status is between the panel we have here and the assessment of the need to cooperate with State and local governments when they are confronted with natural disaster challenges, such as the Lower Mississippi River Valley flooding situation right now.

Is there a protocol or a regime for communication? Have you been called on to provide any additional resources to the States in that general area because of the Mississippi River flooding? Would that be something that you are authorized or required to respond to under the current state.

General MCKINLEY. Senator Cochran, by statute, the National Guard Bureau, the colleagues that are here in front of you today, are the channel of communications between the Department of Defense and the States, territories.

I have talked to General Freeman, your adjutant general in Mississippi, on numerous occasions as the flood waters have increased. I have offered the services of our directorates here in Washington. He and Governor Barbour have asked for additional resources. They have sent those requests for additional funds to the Secretary of Defense, and the Secretary of Defense is working those on a case-by-case basis.

But as you know, we are dealing with a crisis, multiple States, multiple jurisdictions. And it is our role to make sure that the adjutants general in those States communicate directly with us so that we can convey their issues and concerns to Secretary Gates through Secretary Paul Stockton, Secretary for Homeland Defense.

Senator COCHRAN. Well, I think the good news is, from what I understand the facts to be, that the protection system of levees and preparation that have been undertaken over the last several years have worked to protect against flooding from the main stem, the Mississippi River itself, into those States that I mentioned.

But what we are seeing develop is a backing up of waters outside the main levee system in the lower reaches of the river and backing up against the levees from the outside in and thereby causing a lot of farm land and other lands to be flooded at a very serious and dangerous level right now.

That is one concern that I have. And I wonder if that is being discussed or your team is assessing all aspects of the situation there?

General MCKINLEY. Our team is more involved in the resourcing, providing resources to the National Guard in support of the Governor. The Army Corp of Engineers is doing a great job looking at those structural issues which you talk about. This is a centuries-long process. This flood is going to cause issues for months, maybe a year ahead of time.

And I know it starts up in Indiana. I visited Marty Umbarger here last week. All the way down the Mississippi River basin, we are seeing the effects of this. So it is going to challenge all the Governors, all the States. It is going to require the National Guard to be there to support. And I pledge my firm commitment to you, Senator, to all of the States along the Mississippi River, our full support.

Senator COCHRAN. We thank you very much for that commitment.

Thank you, Mr. Chairman.

Chairman INOUE. Senator Coats.

Senator COATS. Thank you, Mr. Chairman.

And thank you, gentlemen, for your service to the country. I appreciate that, as we all do.

General McKinley, you just mentioned our Adjutant General Umbarger. It is my understanding you will be in Indiana next week. I wish I could be with you because we have a little treasure down there in central-southern Indiana that has turned into a pretty remarkable training site for any number of functions.

You know, one minute you are—you would swear you are in the middle of an Iraqi war zone city. Next moment you are in a place where our uniformed personnel are interrogating an Afghan tribal leader. The flexibility and the capability of that facility down there at Muscatatuck is something that you can only appreciate when you see it.

So I really thank you for taking the time to go down and look at that. I think it is somewhat unique. And it is adaptable to just any number of situations. You can crawl through tunnels. You can storm buildings. You can, as I say, do interrogations and be in the simulated war zones, all on the same piece of property. So thank you for doing that. Trust you have a successful trip.

General Wyatt, I would like to just ask you a question about the 122nd Fighter Wing in Fort Wayne, Indiana. There has been a successful conversion from F-16s to A-10s. I don't know what your future plans are relative to the A-10 mission, but I don't want to put you on the spot here.

But I would be happy to work with you in terms of whatever issues that you might have as we go forward to ultimately, hopefully, a transition to the F-35s. But that has been a unit up there that has been part of base relocations, and it is a facility that I think meets the needs. And again, I would like to continue to work with you on that.

I have been asking this question of just about everybody that comes before the Appropriations Committee. So I will ask it to you. Each group that comes forward expresses legitimate needs, and yet we are facing a serious deficit, debt problem. And it looks as if in order to address it we might have to have some shared sacrifice on a number of things and swallow hard on some decisions.

And so, I have been urging anyone on the receiving end of appropriations going forward to in a sense have at least some thoughts about a plan B on the shelf. If the numbers don't come in where we would like them to come in, how do we prioritize the essential—I mean, the absolute essential from the “like to have but not absolutely essential,” from the, you know, “if we were king and could have everything” categories?

So I just encourage you to be thinking along those lines because we face some hard realities in terms of the numbers, which is going to force all of us, I think, to think smarter, work harder, try to do more with less.

And in that regard, I don't know if any of you want to comment on that. I know that you think about this all the time. I know that you have been going through these exercises. But is this something that is a priority, recognizing the reality of our budget situation?

General MCKINLEY. Senator Coats, let me just start, and then I will let my colleagues jump in from their perspectives from the Air Force and the Army. First of all, thanks for your acknowledgment of the National Level Exercise 11 (NLE 11) that will take place along the Mississippi River. It is a New Madrid Fault scenario that the Federal Emergency Management Agency (FEMA) has put in place for next week.

They didn't expect to be dealing with real-world operations, but we are going to continue with NLE 11. And a major part of that will be conducted in Indiana at the Camp Atterbury training site

and at Muscatatuck. It is hard to learn to say that name, but we have finally got it down.

Senator COATS. It is. It took me a while also.

General MCKINLEY. Yes, sir. But it is a world-class training facility, one of several that the Army National Guard and the Air National Guard have around the Nation. And we thank you for your support. It is one of a kind.

Facing hard realities. Obviously, being in the Department of Defense, Secretary Gates has set the bar very high for all of us to find efficiencies, to drill down and make sure everything we do comports with what we believe will be a declining budget.

I am here to say, and I am sure my Reserve colleague chiefs will say, that the Reserve and the Guard provide a great value to America. About 7 cents of the dollar funds the National Guard, the Army and the Air. And our budgets are relatively spartan compared to some other budgets that we see.

But that does not mean we should be immune from any of the discussions, the decisions, and the efficiency drills that are going on out there. And I can pledge to you that we are doing exactly that.

Bud.

General WYATT. On the Air National Guard side of the house, you know, the point that you bring to the forefront, Senator, when we take a look at whether we will be able to fully recapitalize the United States Air Force I think remains to be seen.

And you talked about the fighter wing at Fort Wayne. I had the privilege of visiting Fort Wayne in the first year that I was in the seat. They were just in that transition period from the F-16 to the A-10. And you are correct. They have made that transition very smoothly and are combat ready as we speak. That unit is a good example of what we are faced with, and I will talk about the fighter force in general.

We have some of the oldest airplanes in the United States Air Force. And our challenge is to make sure that they remain combat capable, that our people are trained at the operational standards that they currently are at, as we take a look to see what the final recapitalization decisions will be.

I don't think that we have the luxury of assuming that the recapitalization, as envisioned by the Air Force, will take place on time, on schedule, on budget. I think we have to be realistic to recognize that some of our legacy platforms are going to be around for a while. And the sooner we start—and we have started on all of our fighter aircraft and large airplanes also to make investments in the modernization of those aircraft.

For example, in the C-130 fleet, we are making investments in the AMP program, which Congress has supported, to make sure that those aircraft can continue to fly while we wait for C-130J recapitalization, if and when that might come.

In the fighter fleet, we are investing in structural enhancements through service life extension programs. In the Block 30 F-16 fleet, we have done the same thing. In the A-10 fleet, trying to modernize situational awareness, a fusion of intel and sensors across all the platforms. And we will continue to do that.

I think the key, though, is we have a tendency to focus on the equipment. But I think our real focus should be on our people. Because we have the most experienced, the most mature air crew maintenance crews in the Air National Guard that we have ever had. And if we don't focus on our people, we will find out one of these days that we have allowed our capabilities to atrophy.

We have got to take a look at prioritization and maybe take a look at some of the lesser important jobs and capabilities, not doing that any more, to make sure that our front-line military capability remains what it is. Those are the tough decisions that you have talked about.

As most of the members of the subcommittee know, the Quadrennial Defense Review (QDR) requirements for the fighter force set forth certain numbers of total aircraft inventory and primary aircraft inventory, and that plan is at a moderate risk assumption. And we are at that point right now. So we have got to be very judicious as we go out in the future, whether it is acquisition of new airplanes or modernizing our old ones.

Senator COATS. Yes, thank you.

General CARPENTER. Senator, I am a veteran of being dragged through the tunnels of Muscatatuck by General Umbarger also. But it is a great training site, and it provides value not just to DOD, but also for the other Government agencies.

With regard to your comment about looking forward to the budget challenges, the reference point for us is we are still at two wars. And the Army and the ground forces and marines are fully engaged in that.

Between General Stultz, my Army Reserve partner, we are working with the Army to ensure that we make the right decisions about where we make reductions and to sustain this operational force. Because, frankly, the huge investment that has been made in terms of equipment, training, and manpower, if we don't take advantage of the Guard and Reserve in that particular perspective, we will be poorer, and we will have slighted the taxpayer.

Senator COATS. Thank you.

Mr. Chairman, thank you.

Chairman INOUE. Thank you.

Senator MURRAY.

Senator MURRAY. Thank you very much, Mr. Chairman, and thank you to all of you.

General McKinley, it is really disheartening to hear the stories from our National Guard members who are coming home from deployment into a poor economy and joblessness, no health insurance, financial hardship. And after all they have done for us, we want them to come home and be able to have good jobs and not feel like the ground is shifting underneath them.

We have to, I believe, work really hard to help them assimilate back into the civilian world and be productive members in our workforce. It is my understanding that the demobilization process has to be done rapidly because the service members' deployment orders are cut for a specific length of time, and I wanted to ask you what recommendations you have to better maximize that transition assistance during that very abbreviated process.

General MCKINLEY. Thanks, Senator Murray.

Obviously, General Lowenberg in Washington State has done some very creative things in working with Chambers of Commerce and other organizations to help alleviate some of the unemployment problems that we are seeing with some of our returning Army Guardsmen.

That cannot stop. We have to continue and redouble our efforts in that area. And I, like you, am concerned about assimilation and will continue to focus on it.

I would like to turn to Ray and talk about the mobilization process because it affects mostly the Army National Guard and some of my colleagues who will be on the next panel.

General CARPENTER. Senator, I think you are well aware of the discussions inside the Army in support of the 41st Brigade as they came through Joint Base Lewis-McChord. And the Army took that on as a challenge, and what we have done now is extended the timeframe that these soldiers spend at the demobilization site, as well as their entry into warrior transition units, if necessary.

I think that, you know, your personal experience in the State of Washington with the 81st Brigade here almost 1½ years ago, where that brigade came back with almost 33 percent unemployment, over 800 soldiers unemployed. And through the Joint Services Support program initiated in the State of Washington, we now see that number around 250, if my statistics are correct.

But by and large, I just came from Iraq and Afghanistan in the last couple of months. And as I talked to the commanders in theater, they have already identified the people who are unemployed. And they are working with the States and with their communities to ensure that when they come back that they will have a job or they will be entered into the program to ensure that we take action to support them.

And inside of those discussions, we have one State that has recently held a job fair, where 100 employers showed up. Nine hundred jobs were found for Guardsmen in that particular effort.

And so, we are being innovative. We are arranging for soldiers to go to school there. The new GI bill, which has been supported by this subcommittee, is paying huge dividends in terms of retraining our soldiers for a job that they could access or one that they can get when they get back home.

But the behavioral health piece is a big deal for us. And what we have told soldiers is you need to take the time when you go through the demobilization site. There are behavioral health specialists. They will counsel every soldier that goes through that site.

It is going to cause them to be at those demob sites longer, but it is better to get the service at that point, rather than trying to go back and get it later. And we agree with you, the soldiers need to get the service equal to the service that they have provided to this country.

Senator MURRAY. Okay. You have touched on a lot of issues. Obviously, the mental health issues, the California model of embedding, has been working very well. We are looking at trying to make that broader.

But it is also getting to know what jobs and skills are available in the community that you are going back to, not just where you go back to your demob site. Are we trying to do a better job of actu-

ally helping our guardsmen really know what jobs are back in their own communities, and not just where they are demobilized?

General CARPENTER. Yes, Senator. We have taken that on. The 53d Brigade that came back to Florida went through Fort Stewart in Georgia here about 4 months ago.

And in conjunction with the employer partnership initiative that we have partnered with General Stultz and the Army Reserve, we had employers present at Fort Stewart. And in conjunction with that, we also had vans there where soldiers could get online and look and see what jobs were available in their communities through the employment offices there, as well as the initiatives for job fairs.

This is a problem for us. And frankly, some of it is a reflection of the unemployment rates in the local populations. But we are doing the most innovative things we can to ensure that we employ our soldiers because, frankly, if they don't have a job, they are not going to stay in the National Guard because they won't be able to.

Senator MURRAY. Right. And I am introducing legislation actually right now, focused on this whole issue of employment for all of our service members. And one of the things we are going to be looking at is mandating the TAP program for all service members, including the Guard, to make sure that our unemployed guardsmen are actually able to continue accessing some of the resources.

So that is a critical part of our legislation. I hope to share that with all of you because you are right, General Carpenter. We have to keep people in the Guard and Reserves. And if they go home and can't find a job, they are going to abandon us.

We have spent a lot of money on educating and giving training and skills to these service members. We don't want to lose that. So you will be hearing more about that.

General McKinley, I would love for you to look at in-depth some of the excellent transition programs that are out there and identify some of the elements that have been particularly successful so we can consider incorporating them into the entire DOD effort.

General MCKINLEY. Thanks, Senator Murray.

I will be meeting with the adjutants general in Indianapolis first week of June. If I could work with you and your staff and we could put out some best practices to all of our States, territories, and the District, I think that would be very helpful for all of us.

Senator MURRAY. Great. Look forward to working with all of you on that. Thank you very much.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Thank you all for your service. And like you say, the Guard and Reserve is a great bang for the buck when it comes to the American taxpayer and defending the Nation.

In recruiting and retention terms, do you have the flexibility, in terms of bonuses, focusing on key areas, where there is a lot of pressure in terms of OPTEMPO?

Anything we could do here to give you more flexibility to recruit and retain key specialty areas in the Army or the Air Force?

General MCKINLEY. Senator Graham, I will let my colleagues talk from their specific service vantages. But I will tell you that the

Army and the Air Force generally have been very supportive during these last 8 years to target bonuses to those critical skills that we are losing.

Obviously, in high cost-of-living areas around the country, we have to target certain critical skills so that we can keep those guardsmen and women located in those areas.

I will let General Carpenter start, because the Army has a wide range of activities. I think, to your question, can we do better? Will we need to be more efficient?

Senator GRAHAM. I guess my question is, is there anything lacking that comes to mind that you would like to have?

General MCKINLEY. Ray.

General CARPENTER. Senator, at this point, we have got a lot of flexibility. The only limitation is the budget, for the most part.

Beyond that, we are experiencing, you know, some difficult economic times, which, frankly, has yielded some increases in recruiting production and also, you know, an increased retention rate that we didn't experience 4 or 5 years ago.

But when we see the economy turn around, we are going to be back probably looking at the bonuses programs and see where we go with that. And so, I would say the limiting factor in the out-years will be, as you might suspect, the budget.

Senator GRAHAM. General Wyatt, what percentage of the refueling fleet, at any given time, is manned by Guard and reservists?

General WYATT. Together, we comprise about 45 percent of the total air refueling capability across the United States Air Force, sir.

Senator LEAHY. What percentage?

General WYATT. Forty-five percent, sir.

Senator GRAHAM. Is there anything you would like to have on the Air Force side for critical skills that you don't have, in terms of flexibility?

General WYATT. Sir, you hit the nail on the head. Our actual end strength is right on par with our authorized end strength.

But the issues that we have are getting the right people with the right skills in the right place. For example, even though our end strength is okay, we are short 1,300 officers.

Senator GRAHAM. Right.

General WYATT. And this comes at a time when the Air Force has an abundance of officers and, in fact, has some voluntary separation programs to help them leave active duty.

I would like to see an easier transition from active duty to the Guard. We have some policies that we need to address inside the United States Air Force that I think would ease that transition.

But some of the hurdles that we have to overcome, I think, were appropriately designed for a different time and a different era. We need to be able to move people through a continuum of service and make it easier for them, for example, if they want to come off active duty and serve a period in the Guard or the Reserve, to be able to do that. And then if there are life opportunities presented and they can go back on active duty, that would be great, too.

We have a tendency to once a person separates, they are separated. And I would like to address it more in a transition mode, as opposed to separation mode.

But from a dollar standpoint, the Air Force has been very helpful, giving us the flexibility we need to target recruit, which is what we are doing right now.

Senator GRAHAM. And I may not be here for the next panel, but I will have the same question, if you could give us any ideas about more flexibility? Two quick questions, and I will let you go.

Any recommended changes in the mobilization statutes to make life easier for those mobilized and more flexibility for the commander to be able to shape the force? And the other question is on the budget side, how do we deal with the escalating cost of healthcare within DOD's budget? It affects you in the sense it absorbs dollars.

We are talking about 16 percent of the budget in the next 20 years being spent on DOD healthcare. We haven't had a premium increase in TRICARE since 1989. Is that sustainable, and what would be your recommendation to the subcommittee as to how to address that issue?

General MCKINLEY. I will let General Carpenter talk on the mobilization process question because I think the Army National Guard and, obviously, the Army Reserve will have the most comments on that.

On healthcare costs, obviously, Secretary Gates has told us all to think about new ways of doing business better. It is a huge chunk of our appropriation, and we don't see a lot of guardsmen, young guardsmen taking the TRICARE program. They must feel like they don't need it. They may not be expected to do it.

But over time, we are going to need to work the healthcare budget for Guard equally as hard as the active component, sir. So I will work with Secretary Gates and his team to make sure that is on our high-priority list.

But if I could ask Ray to talk about the mobilization issues?

General CARPENTER. Senator, very quickly, I think probably the best thing that happened to us in mobilization was the 1-year mobilization for the Reserve component. Because we had seen some units go down range, do 1 year boots on the ground, extend it for 3 months, end up with 15 months, and by the time you put the 6 months in front of that that they had at mobilization station, it was almost 2 years away from home. And you can't sustain a reserve component with that. And so, the 1-year mob was terrific for us.

The other side issue is, is when we get done with what we are doing in Iraq and Afghanistan, we think that the Guard and Reserve should be engaged in theater cooperation and security-building in terms of other combatant commands around the world. And inside of the Department, we are looking at some provisions for involuntary mobilization for doing those kinds of things on a lot shorter basis, maybe 60 days or 90 days or something like that.

So we can continue to use, again, the investment we have made in the Reserve component to do preventive things out there, so we don't end up where we are at right now in the current world environment.

Chairman INOUE. I thank you very much.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

I want to compliment Senator Murray on her legislation, which she is introducing today. I will cosponsor and support it again.

And General McKinley, of course, always a pleasure to see you, and I want you to know that Senator Graham and I are determined to keep empowering the Guard, as Senator Bond and I did in the past as the co-chairmen of the National Guard Caucus.

I know you have been without a deputy at the National Guard Bureau for some time, and I believe I can speak for both of us that we believe it would help you further if your staff director was replaced by a vice chief position at the three-star level. Now what do you think of that proposal?

General MCKINLEY. That is a rhetorical question, I am sure, Senator. But quite frankly, I think for us in the National Guard to function as a full-spectrum bureau—because we are not a headquarters. We uniquely serve the States. So we are a bureau. Without that position filled, we can't represent the States and the territories at the critical meetings and the junctures that we have to attend.

And as you know, in our building, if you are not wearing the proper grade or rank, you are not going to be offered a seat at that table. So we fully support that. We know it is in an era of diminished resources and our rank structure is coming down, but we appreciate all the support we can get.

Senator LEAHY. Well, both Senator Graham and I have had discussions at the highest levels on this, and it will happen, I think, at some point. Just like your own position was one that Senator Bond and I pushed hard for with the support of each of the Senators who are here.

Now, for a long time earlier, I worked with Senator Bond to include funds for the National Guard and Reserve equipment account, and we want to continue to do this. We pursued a separate funding for the Guard and Reserve components because I was concerned they never seemed to get a concurrent and proportional amount of equipment.

And I am just wondering, do you face these kind of shortages, and have they been exacerbated by the needs of the Guard and Reserve in Iraq and Afghanistan?

General MCKINLEY. I think it is a very relevant question because, as you know, the funding does come through to us through the Army and the Air Force, and we do diligence with their staffs to obtain the proper amounts of funding. I don't think any program gets the full amount, but we have been adequately financed by our services over time.

What concerns me, Senator Leahy, is the fact that the domestic operation, the taking care of the homeland, the equipping of our units to handle large-scale natural disaster, man-made disaster, we have got to make sure, as National Guard Bureau staff, that the States get their fair share of that.

And as we have talked about with Senator Cochran, this historic flooding along the Mississippi River, multiple States, the States are going to need some resources. FEMA is doing a great job. Administrator Fugate doing that exceedingly well, but we want to make sure the National Guard is able to do their job, too.

Senator LEAHY. Well, let me talk about that because when you watch the news—certainly Senator Cochran knows this far better than I because he has talked to his constituents along there—but just looking at the horrific news and what is happening, we know the Guard has got to be called out.

And I always worry when we have these natural disasters, the Pentagon has to shift money around instead of having money prepared for it. In my own State, we have had unprecedented water this spring from snow runoff. Lake Champlain is at the historic high of 102 or 103 feet above sea level.

I flew up there Friday, and just looking out the windows as I flew up, I could see areas that normally have small rivers, small streams are now flooding fields, farm land, roads, bridges.

Governor Shumlin has called out the Guard to respond. Of course, the Guard responds immediately, as they do, whether it is in Vermont or Mississippi or Hawaii, or anywhere else. And shouldn't we have special funding for such domestic disasters? We would like to think there never will be any, but every year there is something.

General MCKINLEY. It is really my role, and I have tried to assume this mantle of working with FEMA, Department of Homeland Security, Department of Defense through Secretary Stockton in homeland defense and DOD, we feel the adequate funds are there, but they are difficult to get.

The Governors have got to meet certain criteria for what we call 502(f) funding sourcing through the department. It is cumbersome, and my job has been to try to make this more seamless, more easily accessible, and get the funding to the States and the Governors when they need it in a timely manner.

We are not there yet, in my opinion. We have got to continue to do a much better job.

Senator LEAHY. Well, let us work on that because the key is responding in a timely manner. When the Mississippi is flooding or when there is an ice storm, which happened a few years ago in the province of Quebec, and it knocks out power to a large portion of my State, if it had not been for the Guard, it would have been a total disaster. And they were the only ones able to move in immediately before commercial entities could go in.

And General Carpenter, I will work with Senator Murray on the issues that she talked about, and I appreciate what you said.

Last, General Wyatt, I don't have to tell you that many of the Air Guard wings are already experiencing a drawdown of their fighter aircraft. You and I have talked about this before. In Vermont, the 158th Fighter Wing is going to have three F-16s shifted into back-up inventory, and we assume that is just the beginning.

This was the fighter wing that flew air cover for a long period of time over New York City after 9/11. Now some Air Guard wings will eventually receive replacement F-35s, but the overall number suggests some Air Guard wings don't have any planned replacements.

So what is the Air Force telling you about the future of these air wings? There are those back—I don't want to seem too parochial,

but there are those back home who have some interest in your answer.

General WYATT. I imagine so, sir. No, I think you see in Vermont the issue that faces not just Vermont, but a lot of our fighter force and lift force, too, when you take a look at the age of our C-130 fleets. And we have only two units with C-130J models and one other unit that has some.

The issue in the fighter fleet is that we are already at that number, that QDR number for national security on the numbers of total jets, combat fleet in the entire United States Air Force, and a lot of those reside in the Air National Guard. There are six States, including Vermont, who face what you just mentioned with a reduction of 3 of the 18 jets that they have on the ramp from primary aircraft inventory to back-up aircraft status.

The good news is that there is weapons system sustainment for those monies. The bad news is that there are no flying hours for those airplanes that come along. So I am concerned about their readiness and the ability to train the pilots and the air crews in those particular units.

Because the Air Force, I think, intends to rely upon the capabilities in the Air National Guard for a significant portion of the combat fleet. We fly about 33 percent of all the combat Air Force sorties. We are currently working with the Air Force. We have a few more processes inside the United States Air Force to accomplish, but we are working a plan that, if successful and depending upon budgets and everything else that we are faced with, trying to get those three aircraft back up on PAA status at all six of the units.

Air Combat Command has been particularly helpful in helping us through that process and very supportive. And we should know here in the next few months whether we are successful or not. But the idea is that we cannot afford as a country to lose that capability, and we need to preserve the life of those airplanes as long as we can with the capabilities that our Air guardsmen provide until that point in time when recapitalization does, in fact, take place.

Senator LEAHY. Well, please keep me posted.

Mr. Chairman, I was impressed—if I could just brag a little bit? After 9/11, I got a call from our adjutant general that we were flying air cover over New York City around the clock with our F-16s. And I said, “Well, where are you basing them?” He said, “We are doing it right here in Burlington, Vermont,” which is about 250 miles away.

He did point out—Senator Graham, you will appreciate this—that it took them a lot less time to get to New York City than I do flying down commercially. But the thing is we had our mechanics, our air crews, everybody, a number of whom were heading off on vacation when they heard this.

One senior crew chief did a U-turn on the interstate, headed back, got out of the car. At the gate told his wife, “Send some clean clothes, you are not going to see me for a while.” And he slept in the hangar and just kept working. He recalibrated all the weapons, all the things in a rather aging fleet and kept the planes flying. There wasn't any single mission that wasn't fulfilled during that time, around the clock.

My last story, and I think General McKinley has heard this, my wife and I went to visit with the Air Guard after 2 or 3 weeks of this to thank them. And I told the story about somebody who had written a letter to my office in August, complaining about the noise of F-16s and then called the office in early September and asked if I had gotten that letter.

My staff said, "Well, yes, but he has been a little bit busy. What is going on? He hasn't answered?" My constituent said, "No, no. Please tear up the letter. I think the planes sound wonderful."

Thank you.

General MCKINLEY. Thank you, Senator Leahy.

And to Senator Graham, you will be pleased to know that the McEntire Swamp Fox just assumed alert in South Carolina. They joined our fleet of air sovereignty alert aircraft, and we thank you for that support.

Chairman INOUE. General McKinley, General Wyatt, General Carpenter, the subcommittee thanks you for your testimony this morning. And we would like to indicate our appreciation and gratitude for your service to our country.

Thank you very much.

RESERVES

STATEMENT OF LIEUTENANT GENERAL JACK STULTZ, CHIEF, ARMY RESERVE

Chairman INOUE. And now, may I call upon General Stultz, Admiral Debbink, General Moore, and General Stenner to come forward?

Gentleman, welcome to the subcommittee. And may I now call upon General Stultz for his testimony?

General STULTZ. Mr. Chairman, Mr. Vice Chairman, it is an honor to be here today on behalf of 206,000 Army Reserve soldiers, men and women serving this Nation in uniform around the world.

And I have submitted my statement for the record. So I will try to keep this brief in respect of the time we have got.

But I would just make one comment. You, in your opening comment, sir, said you are interested in seeing the Reserve of the future. I am here to report to you today I have seen that Reserve of the future.

Because in the past year, I have traveled around the world to 17 different countries, and I have visited Army Reserve soldiers in Ethiopia, Uganda, Kenya. Army Reserve soldiers just returning from Vietnam and Cambodia on their way to Jakarta. Army Reserve soldiers in El Salvador, Guatemala, Costa Rica. Army Reserve soldiers in Japan, Italy, Germany, Kosovo, as well as, we all know, Iraq and Afghanistan.

And these Army Reserve soldiers are on-point for our Nation, standing side-by-side with Army Guard and active Army soldiers, and you can't tell the difference. In some cases, you can. In some cases, our Army Reserve and Army Guard soldiers are actually higher skill level than their active component, only because they have the civilian skill sets that create a force multiplier for them.

And I have seen them in the combat role that we need them to be prepared and ready to go, and my formation is mostly in the combat support and service support formations. But I have also seen them in the humanitarian role—in theater engagement, security cooperation, providing medical, engineering, foreign army training, logistics, and other support to those nations that we aren't in conflict with. We are actually preventing those nations and helping them establish democracies and winning the hearts and minds of their people.

And as we move forward as a Nation, confronted with the budget issues we are going to have, confronted with how do we reduce the deficits, confronted with the where do we get the biggest bang for our buck, biggest return on investment, what I can report to you and the others today is your Reserve component—and I speak for all my colleagues here, as well as our Guard colleagues—are a great return on investment. They have proven themselves.

And as we are making decisions about what the structure of the military for the future needs to look like, my urging to you and others is your Reserve components are key, and we need to be resourced as such with the equipment. We need to be resourced as such with the funds needed to train, and we need to be resourced as such to take care of our families.

And we give you a heck of a return on the investment. We have proven ourselves.

And I think the other thing we have proven, as we have gone through the transition from a strategic to an operational, is we have got a force there that is there for us. They love their country, and they know their country loves them. And I think the other thing we have proven, as we have gone through the transition from a strategic to an operational, is we have got great men and women, a really national treasure that raise their hand, volunteer to serve their Nation, leave their civilian jobs, leave their families, leave that American dream that they are living, knowing that they may be called upon to make an ultimate sacrifice on the battlefield. And they are doing that in record numbers.

Our recruiting, our retention is at all-time highs. So we know we have got a force there that is there for us. They love their country, and they know their country loves them.

What we cannot afford to do is go back. We cannot afford to go back to that strategic model, that one weekend a month, 2 weeks in the summer, that is all we are going to use you for, because we will lose that national treasure. Because they joined our force since 9/11, and they joined our force to be utilized.

And as Ray already mentioned, it doesn't have to be for 12 months. It can be for 3 months in El Salvador and come back home and feel good about what you have done, feel good that you have been utilized, but make a positive contribution for this Nation.

So on behalf of that 206,000, sir, I appreciate all the support you have given us and all the support you will continue to give us. And I look forward to your questions.

Thank you, sir.

Chairman INOUE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JACK STULTZ

INTRODUCTION

Chairman Inouye, Senator Cochran, distinguished members of the subcommittee; thank you for the invitation to appear before you today to discuss the state of your Army Reserve. It is an honor to testify before you on behalf of more than 205,000 Army Reserve Soldiers.

After nearly 10 years supporting the warfight in Afghanistan and Iraq, the Army Reserve is a battle-tested, seasoned, and a trusted part of the total force.

Our formations routinely meet the demand for military capabilities that support domestic and expeditionary operations.

As an operational force, we offer strategic agility and depth as a cost-effective solution in a resource-constrained environment.

I strongly contend it is our obligation to the Nation, and to future generations of Army Reserve Soldiers, that we remain operational.

ROAD MAP FOR THE NEXT DECADE

2020 Vision and Strategy

Details my vision for the Army Reserve as an enduring operational force and serves as a broad blueprint for achieving it.

Establishes the foundations for the operational concepts and strategies; organized, modernized, postured, and resourced to provide support to the Total Army.

INITIAL STEPS TAKEN TO DATE

The Army Reserve Enterprise—new management culture where leaders function for good of the enterprise.

Realignment of Army Reserve Headquarters, Legacy and Command and Control structure.

Expanded Outreach to all Service Members and Families through three Virtual Installation pilot sites.

Cultivating positive Soldier-Employer relationships—a must for an operational force of the future.

PRIORITIES FOR THE NEXT YEAR

Expand Virtual Installation to five pilot sites using fiscal year 2012 Milcon appropriations.

Strengthen Total Wellness Programs—improved medical and dental care, behavioral health support, and spiritual care.

Develop a Program Objective Memorandum (POM) 13–17 strategy that reflects the resource requirements of an operational force in the Base Budget.

AN OPERATIONAL FORCE BENEFITS THE NATION

Helps the Army mitigate current capability shortfalls and allows for a greater role in the Nation's defense with: Combatant Commander Security activities; domestic disasters; Security Cooperation Operations; Contingency Operations; and Theater Security Cooperation Programs.

The Army Reserve is a “best value”—the Nation pays the full cost for a reserve component Soldier only when he/she is mobilized.

CONCLUSION

We have built an Army that is dependent on having access to the reserve when it needs us.

Choices made now will determine the Army force mix and capability for the future.

Do we turn back the clock and revert to a strategic reserve, with limited readiness capabilities as the current conflicts resolve or do we ensure the defense of the Nation with an enduring operational force with the readiness levels that provide operational capabilities across the full spectrum of conflict.

Thank you once again for inviting me today to speak before this committee and for supporting our Citizen-Warriors.

I am ready to address your questions.

UNITED STATES ARMY RESERVE 2011 POSTURE STATEMENT

The annual Army Reserve Posture Statement is an unclassified summary of Army Reserve roles, missions, accomplishments, plans, and programs. The 2011 Army Reserve Posture Statement also addresses the support required by the Army Reserve to continue its transition to an operational force during fiscal year 2012.

Unless otherwise noted, all statistics and facts are current through March 2011.

This document is available on the Army Reserve website at: www.usar.army.mil.

MARCH 2011.

AN ENDURING OPERATIONAL FORCE

For more than 100 years, the United States Army Reserve has served as the Nation's Federal strategic force in reserve, supporting the war and peacetime needs of the Regular Army. Since our Nation's involvement in Afghanistan and Iraq, combatant commanders have urgently called for many of the enabling capabilities resident within the Army Reserve, including logistics, engineering, security, medical and civil affairs support.

The steady, consistent, and recurring demand for Army Reserve capabilities during this decade has posed significant challenges for a force organized and resourced as a strategic reserve. In response, the Army Reserve recast itself from the part-time strategic reserve role to a fully integrated and critical part of an operational, expeditionary Army that supports the Nation's evolving and challenging wartime requirements.

In today's national economic and political climate at home and around the world, it makes good business sense to sustain the enabling capability provided by the Army Reserve. Compared to the cost of expanding the full-time Army force, a rel-

atively smaller investment in the Army Reserve provides security at home and supports the fight against terrorism abroad. The Army Reserve responds to domestic disasters, when authorized by the President of the United States, and also participates in security cooperation operations while protecting national interests around the world. In support of contingency operations, the Army Reserve responds to life-threatening situations and fosters stability in underdeveloped nations where conditions are ripe for terrorists to gain a foothold. The Army Reserve is a “best value” in that the Nation pays the full cost for a reserve component Soldier only when he/she is mobilized.

Many companies in private industry use a similar strategy. Firms that specialize in tax preparation, for example, hire certified accounts/tax preparers to handle the heavier customer demand that occurs from the beginning of a new year to the filing deadline of April 15. They too cannot afford, nor would it make good business sense, to maintain a full-time accountant force during off-peak seasons. The relatively low cost of hiring seasonal workers adds to their bottom line.

The Army Reserve conducted an analysis that shows over a 15-year period, an enduring operational Army Reserve provides key capabilities for the Army at significant cost savings. We measure the savings by comparing the active component and reserve component costs of building readiness, deploying and employing forces.

The Army Reserve prepares for service by employing the Army Force Generation (ARFORGEN) model—a 5 year structured progression of increased unit readiness over time resulting in periods of available trained, ready, and cohesive units prepared for operational deployment.

Under the current ARFORGEN process, an active component Army Soldier spends 2 years in a non-deployed status at a cost of \$140,000 per year—compared to his/her Army Reserve counterpart who spends 4 years in a non-mobilized/non-deployed status costing \$47,000 per year—that’s about one-third the cost of an active component Soldier for train-up. This cost savings is achieved by providing cyclical capabilities to the Army and predictability for Soldiers and their Families.

During a 15-year period, an active component Soldier spends 5 years deployed with an overall average cost of \$143,000 per year compared to the Army Reserve Soldier who spends 3 years mobilized/deployed with an overall average cost of \$68,000—that’s about half the cost of an active component Soldier.

An operational Army Reserve not only saves money, it helps the Army mitigate current capability shortfalls. For example, the Commander of Africa Command, General William E. “Kip” Ward, and the Commander of European Command, Admiral James G. Stavridis related in testimony before the Senate Armed Services Committee on March 9, 2010, that employing an operational Army Reserve to support combatant commander security activities would provide significantly more capability for the mission while maintaining invaluable operational experience, hard-won from current operations. Using the Army Reserve in security cooperation missions also reduces the demand for active Army capabilities, allows the active component to maximize time at home between deployments, and provides the Army Reserve with the opportunity to employ and refine its multifunctional skills.

An operational Army Reserve can be key to developing cooperative security arrangements (collaboration with regional nations, interagency and non-governmental organizations, and regional institutions to respond to the broad range of regional contingencies) while building Partnership Capacity by strengthening and expanding relationships with allies and partners. The Army Reserve could also mitigate the costs that an active component unit would require in Korea (family housing, child-care, medical, etc.) by providing trained and validated units for 1-year tours.

It makes good business sense to sustain the enabling capability provided by the Army Reserve for now and into the future. Army Chief of Staff, General George W. Casey, Jr., has said there is no viable alternative to having a fully operational Army Reserve to sustain today’s combat support needs and those of the future. As the Army evaluates the resource requirements to sustain and improve Reserve “operational capabilities,” decisions on full-time staff, funded training days, and sequencing of training (pre-mobilization/post-mobilization) drive the cost.

Operationalizing the Army Reserve has thus created a requirement for an enduring level of readiness support that cannot be sustained with current supplemental funding. The Army Reserve must have predictable funding in the base budget to ensure Soldiers are well trained, well prepared, and well equipped at all times to respond to the Nation’s needs. An enduring operational force cannot be fully effective if it has to borrow personnel and equipment from one unit to shore up another to meet mission requirements. Lending creates turbulence within units and diminishes gained efficiencies.

For now and into the foreseeable future, the Army Reserve will function as an operational force. The required institutional, policy, and systemic resource processes

and procedures are being transformed to ensure a sustainable and ready force capable of operating across the full spectrum of conflict.

The Army Reserve is a positive investment for the Nation. We provide necessary combat support and combat service support to combatant commanders where and when needed, thereby saving limited resources. We train Soldiers who accomplish daunting tasks and provide critical support on the battlefield. We give back to the Nation highly trained, mature and refined Soldiers, who also provide civilian employers the kind of talent needed to sustain the local economy.

America can make no better investment than sustaining an enduring, operational Army Reserve.

LIEUTENANT GENERAL JACK C. STULTZ,
Chief, United States Army Reserve.

COMMAND SERGEANT MAJOR MICHAEL D. SCHULTZ,
Command Sergeant Major, United States Army Reserve.

As America remains a Nation at war, the Army Reserve continues to be a cost-effective force as evidenced by what we accomplished with the fiscal year 2011 budget Congress appropriated to us. The \$7.9 billion Army Reserve appropriation represented only 4 percent of the total Army budget; yet in 2010, we achieved the following results within the four core elements (Human Capital, Materiel, Readiness, and Services and Infrastructure) of the Army Reserve Enterprise as outlined below.

Human Capital

Human Resources.—In fiscal year 2010, the Army Reserve conducted 525 Yellow Ribbon Reintegration Program events, serving 26,000 Soldiers and 28,000 Family members.

Chaplain.—Army Reserve chaplains conducted over 300 Strong Bonds events throughout the country and territories, enhancing Soldier and Family communication and relationship skills. Some 12,500 Soldiers and Family members participated in these events and received this training.

Behavioral Health.—Licensed clinicians are following up on the urgent referrals generated by the Periodic Health Assessment and Post Deployment Health Reassessments. Working on an “Assess and Refer” model, clinicians conduct bio-psycho-social assessments of each individual who is referred and determine the appropriate level of follow-up. They do not provide treatment. The major illnesses being identified that are Post Traumatic Stress, Major Depression and Substance Abuse.

Medical and Dental.—Army Reserve medical readiness improved from 23 percent on October 1, 2008 to 60 percent as of September 23, 2010. Programs such as the Army Select Reserve Dental Readiness System (ASDRS) have been highly successful. Dental readiness, which is currently at 74 percent, has improved 21 percent over the last 2 years, and is one of the key elements improving medical readiness. We converted 168,829 Soldiers’ paper records to an electronic Health Readiness Record, allowing us to take full advantage of efficiencies in time, cost, and services over the continued use of paper treatment records. The Army Reserve successfully conducted suicide prevention training throughout the force. As a result, we have seen an improvement in communication with at-risk Soldiers and proactive involvement on the part of our subordinate commands.

Family Programs.—The Army Reserve Virtual Installation Program served some 5,501 military members and their families, from all branches of the armed services during fiscal year 2010—bringing the resources of active military installations to geographically dispersed military Families. Three pilot sites at Army Strong Community Centers offer information and assistance on many issues, such as concerns with TRICARE, legal matters, retirement, GI Bill, and child and youth services.

Materiel

The Army Reserve established new Equipment Fielding facilities to increase throughput of new equipment issues to units. This has allowed the Army Reserve to execute the largest distribution of new equipment in recent history. Over 23,000 pieces of equipment were provided to Army Reserve units, enhancing their readiness. Using near real time databases in “bridging” logistics information and management systems led to an automated process to define manpower requirements in equipment maintenance support structure. The Army Reserve is on track to successfully implement the Army’s initiative for managing organizational clothing and individual equipment.

Readiness

Operations.—Army Reserve continues to provide vital capabilities to combatant commanders in support of overseas contingency operations. More than 196,711

Army Reserve soldiers have mobilized in support of Operation Iraqi Freedom/New Dawn (OIF/OND) and Operation Enduring Freedom (OEF) since September 11, 2001. Today, more than 15,584 Warrior Citizens are serving in Iraq, Afghanistan and 22 other countries around the globe. Army Reserve Aviation continues to lead the way in Air Traffic Simulation. Thanks to funds approved by Congress, the Army Reserve fielded more than 630 Laser Marksmanship Training Systems to 346 Army Reserve locations during the past year, while having the means to develop and field “bridging” logistics management and information systems.

Services and Infrastructure

Facilities Management.—The Army Reserve successfully awarded over \$432 million in Military Construction (Milcon) projects in 2010. Several new Army Reserve Centers will achieve net-zero energy usage (self-sufficient without drawing additional power from the electrical grid). The Army Reserve has developed innovative passive building design techniques to achieve low-technology, low-cost energy efficiency. We are installing solar collection fields, wind turbines, and geothermal plants at several new facilities. The Army Reserve has started a retrofit program, replacing lights, windows, roofs, and other components with new energy-efficient technology, resulting in substantial savings in utility costs.

The Army Reserve also realized monetary benefits totaling approximately \$232 million during the last year through the Office of Internal Review, which provides Army Reserve leadership timely, independent and professional review/audit, evaluation, and consulting services.

ARMY RESERVE PRIORITIES

Continue to transform to an enduring operational force.

Continue to provide the best trained, best led, best equipped Soldiers and units to combatant commanders to achieve U.S. objectives and ensure national security.

Recruit, retain, and reintegrate through a Continuum of Service the best and brightest Citizen-Soldiers to sustain a robust and capable operational Army Reserve.

Provide Citizen-Soldiers and their Families with the training, support, and recognition to sustain a cohesive, effective fighting force.

Build and maintain a partnership with industry to facilitate Citizen-Soldier contributions to both a prosperous economy and a skilled, experienced, and capable Army.

To advance these priorities the Army Reserve must: Obtain from Congress full support and necessary authorities, in accordance with the Army Reserve fiscal year 2012 budget request

THE PRESIDENT’S BUDGET

The President’s budget will allow the Army Reserve to:

- Continue Army Reserve internal transformation to an Enduring Operational Force.
- Shape Army Reserve End-strength by recruiting, retaining, and reintegrating, through a Continuum of Service, the best and brightest Citizen-Soldiers.
- Equip units and Soldiers to train and fight to achieve U.S. objectives and ensure national security.
- Provide quality medical and dental services and support to Soldiers and their Families.
- Sustain Army Reserve installations and facilities.

THE POSTURE OF THE ARMY RESERVE: WHERE WE STAND TODAY

Today’s Army Reserve is uniquely positioned and structured to provide operational support in complex security environments. We can meet Army requirements for combat support or combat service support roles. Many civil affairs, psychological operations, medical, transportation, engineer, and information operations capabilities reside exclusively, or predominately, within the Army Reserve. Our ability to mobilize quickly and responsively makes the Army Reserve ideally suited to meet our Nation’s future requirements. Army Reserve Soldiers will remain a vital part of the Total Army Force facing the national security challenges of the next decade and beyond.

During the Cold War era, the Army Reserve principally operated as a force in reserve. The first Gulf War, in 1990–1991, served as a catalyst for thinking about using the Army Reserve in a more operational capacity when large numbers of Reserve forces were engaged. Since the Gulf War, the Nation has employed the Army Reserve in many different ways and at unprecedented levels, most significantly

after September 11, 2001. The demands of persistent conflicts over the past 9 years were—and continue to be—beyond the ability of the Active component to meet alone. As a result, the Nation has relied heavily on the Army Reserve to fill operational requirements, fundamentally changing the role of the Army Reserve from a strategic to an operational force.

Today, with the drawdown of forces in Iraq nearing completion and the proposed drawdown in Afghanistan, we can expect to see declining Department of Defense budgets for the near-to-mid term, as well as potential end-strength reductions, while still preparing for future operations in a volatile, uncertain, complex, and ambiguous security environment. A Total Force, maximized for strategic agility at reduced cost, provides the necessary capabilities to the combatant commander.

The Nation and the Department of Defense are now at a strategic juncture with respect to the Army Reserve. Choices made now will determine the Army force mix and capability for the future. The choice can be to return to a strategic Reserve with limited readiness capabilities as the current conflicts resolve, or become an enduring operational force with the readiness levels that provide operational capabilities to meet the Nation's defense requirements across the full spectrum of conflict.

Between 2001 and 2010 the Nation invested ~\$52.7 billion to man, equip, train, and employ an operational force. The Department can choose to forgo the \$52 billion investment, and over the next decade, the Army Reserve will revert to a strategic Reserve. This change would occur slowly over the first few years and then accelerate, by default, as the hard-won operational experience of our Soldiers atrophies and further resource constraints are implemented. Alternatively, for an estimated annual investment of ~\$652 million, the Army can retain and sustain an operational Army Reserve. This will provide the Army necessary capability on time and at best value.

Nine years of mobilization and employment for current contingencies has produced the most experienced, ready Army Reserve in history. Currently the Army Reserve is used as an operational force resourced only through Overseas Contingency Operations funding. With minimal recapitalization of readiness funded in the base budget and through annual employment of Army Reserve forces for operational missions such as Theater Security Cooperation, we can maintain these unprecedented readiness levels and support the National Security Strategy. This is the most efficient and cost-effective answer to the Nation's national security requirements.

The Army Reserve culture has changed since 2001. Many Soldiers of the legacy strategic reserve left service in significant numbers between 2004 and 2006. Today, the Army Reserve is fully manned to its Congressionally authorized end-strength with Army Reserve Soldiers who have joined or re-enlisted to be part of an operational force. Reverting to a strategic Reserve would entail a similar significant loss of our most operationally experienced force and greatest asset—today's Army Reserve Soldier.

Today, we are exploring the Army's Continuum of Service initiatives as a way of making the Army Reserve more attractive for Soldiers, Families, and Employers. When these initiatives become a program of record, they will facilitate a Soldier transfer from one Army component (for example from the Army Reserve to active duty) to another in a seamless, efficient manner that meets the needs of the Soldier as well as the readiness requirements for the Total Force. There is no degradation in personnel management, career opportunities or benefits for a reserve component Soldier's military and civilian career. Continuum of Service will provide choices for Soldiers, their Family members and Employers, which is essential in family and career planning.

The Army Reserve Posture Statement lays out our accomplishments, our plans, and our continuing challenges in the Era of Persistent Conflict and it continues to illustrate through its capabilities and affordability that it is a good investment for the Nation. An enduring operational Reserve will provide the Army necessary capabilities at best value. This is the Army Reserve of today and the future.

DOCUMENT MAP

The 2011 Army Reserve Posture Statement (ARPS) is the Army Reserve's Annual Report to Congress of the current posture of the Army Reserve to fulfill its Title 10 responsibilities. The Posture Statement also serves to educate and inform Congress of Army Reserve resourcing priorities in the fiscal year 2012 budget request that will enable the Army Reserve to continue its transition in support of an operational force. This document is organized to help advise Senate and House Committee appropriators in Committee Hearings addressing Personnel, Readiness and Equipping of the needs of an operational force.

Programs Addressed in the President's Budget Request

Personnel.—Shaping the Force, Building Resiliency, Health Promotion/Risk Prevention, Yellow Ribbon Reintegration Program, Spiritual Care, Behavioral Health, Healthcare, Family Programs, Full Time Support, Employer Partnerships of the Armed Forces.

Readiness.—An Operational Force, Homeland Operations, Training, Training Equipment, Physical Security, Anti-Terrorism, Aviation, Army Reserve Command, Control, Communication, Computers/Information Technology (C⁴/IT), Training Facilities.

Equipping.—Army Reserve Materiel, Equipment Maintenance, Logistics Contract Support.

THE FISCAL YEAR 2012 BUDGET REQUEST: WHERE WE ARE GOING

PERSONNEL

CRITICAL PERSONNEL NEEDS OF AN OPERATIONAL RESERVE

Appropriate resources for Recruitment and Retention of the right people and skill sets to sustain the force.

Provide robust Suicide Prevention support and resources for trained caregivers, and training for Applied Suicide Prevention Skills.

Continue support for the Yellow Ribbon Reintegration Program events and Family Member training.

Resource Army Guard Reserve Family Life chaplain authorizations.

Align and balance Family Programs capabilities/workforce to serve a geographically dispersed population.

Ensure continuity of support to Army Reserve Soldiers and Families in the community where they live through Virtual Installations/Army Strong Community Centers.

Deliver responsive and relevant Family Assistance and Support services to mobilized and non-mobilized Soldiers, Civilians, and their Families during military operations, emergency activities, and natural disasters.

Improve and Sustain Medical, Dental and Behavioral Health Readiness.

Maintain support levels for Full Time Support.

Shaping the Force

The Army Reserve has undergone its largest ever transformation from a strategic reserve to an operational force. Additionally, the Army Reserve has exceeded its end-strength objective of 205,000—but has an imbalance in skills, in particular at the mid-grade ranks. As a result, we have shifted our focus to shaping the force to meet the needs of an Operational Army Reserve that actively supports current operations via the Army Force Generation model, also known as ARFORGEN.

Our strategy will focus on proper balance and sustainment of the force rather than increasing end-strength. The Human Capital Enterprise will manage the accumulated end-strength to build and shape a force that best meets the Nation's near- and long-term demands. The Army Reserve will recruit, retain and transition the best and brightest and position them in the right place, in the right job, and at the right time.

As part of shaping the force we requested and received Army approval to reimplement several boards that were previously suspended. These boards provide management tools that facilitate better management of senior grade positions, allow quali-

fied Soldiers to progress at proper intervals in their careers, provide career incentives, and allow Soldiers to advance to higher grades at the peak years of their effectiveness. These boards include the Active Guard and Reserve (AGR) Release from Active Duty (REFRAD) Board (convened in April 2010) and the Army Reserve Troop Program Unit (TPU) Enlisted Qualitative Retention Board (scheduled to convene in 3rd Qtr fiscal year 2011).

Building Resiliency

The Army Reserve is continuing to build resiliency in our Soldiers, Families and Civilians—all of whom have been affected by the cumulative effects of 9 years at war. We have developed a comprehensive approach that puts mental fitness on the same level as physical fitness to build a resilient force for the future. No one individual program builds resiliency; rather, it results from combining the benefits of health promotion-risk deduction education, Yellow Ribbon Reintegration Program events, spiritual care, behavioral health programs, medical and dental readiness, and family program services.

Health Promotion—Risk Reduction

The Department of the Army and the Army Reserve have been in the forefront of health promotion—risk reduction efforts by using the Applied Suicide Intervention Skills Training (ASIST) program. Training materials ensure the education of first line supervisors, Army Reserve leadership, Army Civilians, and suicide prevention programs managers (DAC and other full-time support personnel). The key to suicide prevention is trained caregivers. The key requirement to success is to ensure that an appropriate number of individuals receive ASIST for Trainers across the Army Reserve, as well as having these ASIST Trainers conduct the required training to personnel throughout the fiscal year. The 2-day ASIST workshop conducted by ASIST Trainers is by far the most widely used, acclaimed and researched suicide intervention skills training for our Soldiers. The ASIST Training done by qualified ASIST Trainers is the best way to increase the number of Gatekeepers trained to recognize Soldiers who are at risk and know how to intervene to prevent the risk of suicidal thoughts becoming suicidal behaviors. Since history has shown that Soldiers are better able to help other Soldiers at risk when they receive ASIST Suicide prevention training, the Army Reserve is committed to early identification of at-risk Soldiers before a serious incident occurs or a Soldier seriously contemplates suicide.

Yellow Ribbon Reintegration Program (YRRP)

The mission for Yellow Ribbon Reintegration Program (YRRP) simply stated is to support Army Reserve Families and their Soldiers with sufficient information, resources and services, referral, and proactive outreach opportunities throughout the entire deployment cycle. The goal is to build self-sufficient and resilient Families and Soldiers. We accomplish this by developing skills in each Family member and Soldier to assure they are prepared and able to cope with the difficulties of extended separation and deployment. We help Families network together, and connect with each other, and their unit/command and Family Programs' Office. We also attend to both the Family members' and Soldiers' physical, behavioral and mental health needs. This requires trained professional speakers to come to units and regional venues to educate and assist attendees with knowledge, skills and practical hands-on participation.

In fiscal year 2010, the Army Reserve conducted 525 YRRP events, serving 26,000 Soldiers and more than 28,000 Family members. These events proved successful because of direct support from a caring command staff, involvement by a myriad of community agencies, and the commitment of volunteers. Providing these services and support to Army Reserve Families and Soldiers on par with those for the Active component is a challenge since most of our Families do not live near a fort, camp, post or station where services are readily available. The geographic dispersion and numbers of Army Reserve Soldiers and Families, combined with the challenges that may exist with a civilian employer or educational pursuits, is unparalleled by any other military service or service component.

Spiritual Care

While resiliency is the operative word in today's Army concerning Soldier and Family well-being, it has always been the end state of a chaplain's ministry. Spiritual fitness is vital to maintaining a healthy and vibrant force. While chaplains are helpful agents during times of crisis, their greater value lies in their ability to enable Soldiers and Families to endure and successfully overcome a crisis when it does occur.

As an operational force, it is important that we are properly structured and manned. In 2007, the Director of Force Management approved and directed the ad-

dition of Unit Ministry Team (UMT) force structure across all Army components. In order to support enduring requirements of an operational Reserve, this additional structure would enable the Army Reserve to place the Army Chaplaincy's Family Life function into its inventory. Family Life chaplains would oversee our successful Strong Bonds' program while also supplementing the Army Reserve's religious support capabilities in Family ministries and UMT training.

We appreciate the resources Congress has approved for the Army Reserve Strong Bonds program. During fiscal year 2010, over 300 Strong Bonds events were conducted throughout the United States and its territories, enhancing Soldier and Family communication and relationship skills. Some 12,500 Soldiers and Family members participated in these events and received this training. Our goal is to provide Strong Bonds Relationship training to the maximum number of Army Reserve Soldiers and Families.

When Families are supported, Soldier problems are lessened and Soldier retention increases. The Army Reserve is committed to providing its Soldiers and Families a level of benefits and quality of life that is commensurate with their service to the Nation.

Behavioral Health

The Department of Defense Mental Health Task Force of 2006 recognized that the existing systems for psychological health were insufficient for current and future needs. Task Force recommendation 5.4.1.16 stated that "Each Reserve Component should appoint a full time director of Psychological Health to the staff of the Reserve Component Surgeon." It went on to specify that "Where Reservists are organized by region, a full time Regional Psychological Health Director should be appointed." The Army Reserve has acted on these recommendations and has developed a limited Behavioral Health program. There is a Deputy Surgeon for Behavioral Health at the Surgeon's office, whose responsibilities center on program development. Three of the four Regional Support Commands have Directors of Psychological Health. The licensed clinicians are responsible for following up on the urgent referrals generated by the Periodic Health Assessment and Post Deployment Health Reassessments. Working on an "Assess and Refer" model, they conduct bio-psycho-social assessments of each referred individual and determine the appropriate level of follow-up. They do not provide treatment. The major illnesses being identified, Post Traumatic Stress, Major Depression and Substance Abuse are treatable, but require a long-term commitment to care. Even as the current conflicts wind down, the psychological injuries sustained will require treatment far into the future. Four clinicians cannot adequately address the case management and monitoring needs that will be required by the growing numbers of Soldiers in the Army Reserve who struggle with these difficulties, especially considering the geographical dispersion of our units.

A critical step for the future development of Behavioral Health programming within the Army Reserve is for all those who have a stake in the emotional well-being of Soldiers to share resources and develop multidisciplinary teams in order to most efficiently deal with the often complex and multidimensional needs of our Troops. The Army Reserve will be working with the other military Service reserve components and Congress to continue developing improvements to our infrastructure and processes to ensure our Soldiers receive appropriate care.

Health Care

The Army Reserve has served the Nation well while transforming from a strategic to an operational force. Soldiers not medically and dentally ready impair our ability to ensure predictability and reliance for the combatant commander. Army Reserve medical readiness improved from 23 percent on October 1, 2008 to 60 percent as of September 23, 2010. Programs such as the Army Select Reserve Dental Readiness System (ASDRS) have been highly successful. Dental readiness, currently at 74 percent has improved 21 percent over the last 2 years, and is one of the key elements improving medical readiness. Influenza compliance within the Army Reserve reached its highest compliance rate ever at 77 percent, with H1N1 compliance at 79 percent.

In 2010, we converted the paper records of 168,829 Soldiers to an electronic Health Readiness Record, allowing us to take full advantage of efficiencies in time, cost, and services over the continued use of paper treatment records. To improve data sharing, we obtained view capability of medical records stored in the Armed Forces Health Longitudinal Application, the active component medical database. We

implemented the Medical Reserve Ready Response unit program, which enables our Army Reserve Physicians to review medical profiles and approvals from their home, capitalizing on the unique clinical skills found in the Army Reserve.

Caring for our Wounded Warriors and assessing post deployment health issues are part of the Army's efforts to protect the health and well-being of Soldiers who have redeployed from combat. The Army Reserve tracks completion of the Post Deployment Health Reassessments to capture data and monitor the medical and behavioral needs of redeployed Soldiers. Soldiers complete these health assessments within 3 to 6 months after returning from theater. As of September 15, 2010, 84,419 Army Reserve Soldiers have been screened for post deployment health issues—a 95 percent compliance rate.

As medical screening has improved, so has the identification of Soldiers who are not medically ready, and much work remains. There are approximately 15,500 Medically Non-deployable (MNDs) Soldiers who require a medical board and we are moving out aggressively to improve the boarding process.

Family Support Programs

Transformation from a strategic reserve to an operational force resulted in the need for standardizing programs and services to ensure Soldier and Family needs are met with the right resources, at the right time. Baseline services and outreach capability that sustain the quality of life of our Soldiers and Families are being integrated into the cycles of the ARFORGEN model. We employ metrics and administer surveys to gauge the quality and integrity of family program services for effectiveness and their value to our customers. This allows for the investment in high return services and the retirement of those that do not meet the needs of an operational force.

An example of a promising high return service is the Army Reserve Virtual Installation Program. Operating at three pilot sites within three Army Strong Community Centers around the country, Virtual Installation brings the services and resources only found on active military installations to geographically dispersed military Families—of all branches of the armed services. These centers provide hands-on problem resolution and follow-up for a myriad of concerns ranging from military benefits and entitlements to community resources. The Fort Family Support & Outreach Center at Fort McPherson, Georgia is the nerve center of the Army Reserve Virtual Installation where the Outreach Center staff use cutting-edge technology, mapping programs, and resource databases as well as live, personal contact with highly skilled subject matter experts to serve and build community-based capacity for each pilot site.

Full-Time Support (FTS)

In July 2010, the Secretary of the Army directed the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA (M&RA)) to personally lead a study to determine the correct level of full-time support required for the Reserve Components. A memorandum and a term of reference will be sent to the reserve component leadership advising of the M&RA effort and task. There is also an initiative to have the reserve component re-validate the models that will identify/inform manpower requirements. These efforts will help the Army to determine the appropriate size of the FTS program for managing the reserve component as an operational force.

The Army Reserve is currently funded at 75 percent of its requirements. This funding level is based on the requirements of a strategic reserve and in accordance with the Headquarters, Department of the Army "HIGH RISK" funding methodology. Funding must be maintained at this level.

Civilian personnel programs (Military Technician and Army Civilians) are currently fully funded (based on 75 percent of FTS authorizations against validated requirements) and must remain so in order to provide required Army Reserve full-time support. The National Defense Authorization Act, Subtitle B—Reserve Forces, requires the Army Reserve to meet a Military Technician end-strength floor by September 30 each fiscal year. The ability to support an operational Army Reserve depends on being able to meet, or exceed within established standards, the authorized floor.

The Army Guard and Reserve (AGR) program must also remain fully funded (based on 75 percent of FTS authorizations against validated requirements) in order to provide the required Army Reserve full-time support. Currently authorized 16,261 Soldiers, this program provides the bulk of full-time support at the unit level. They provide day-to-day operational support needed to ensure Army Reserve units are trained and ready to mobilize within the ARFORGEN model. The AGR

program is absolutely vital to the successful transition to, and sustainment of, an operational force.

The Employer Partnership of the Armed Forces has more than 1,300 employers and the list is growing. These Employer Partners represent 95 of the 2010 Forbes Fortune 500 companies; they are military-friendly; and they value the skills, experiences and work ethic of those who serve.

Employer Partnership of the Armed Forces

The Army Reserve's Employer Partnership Initiative has expanded far beyond serving only Army Reserve Soldiers. Today the Employer Partnership provides career continuum resources for the entire Service "Family." It serves the civilian employment and career advancement needs of members of all seven Reserve Components, their Family members, Wounded Warriors and the Nation's veterans. With this fully encompassing focus the program is now the Employer Partnership of the Armed Forces.

The Employer Partnership of the Armed Forces has more than 1,300 participating employers and the list is growing. These Employer Partners represent 95 of the 2010 Forbes Fortune 500 companies; they are military-friendly; and they value the skills, experiences and work ethic of those who serve.

Army Reserve leadership feels the Employer Partnership is realizing success, and that the program supports its Human Capital Strategy. Accordingly the Chief of the Army Reserve will spend as much as \$5 million during fiscal year 2011 for the program. This funds operations which include program support personnel dispersed across the United States, and other resources that help connect seekers to jobs.

Last fall the Employer Partnership launched a state-of-the-art job search resource at the portal: www.EmployerPartnership.org. Through strategic partnerships the portal accesses approximately 600,000 jobs at any given time. In addition to robust search capabilities, seekers can use the résumé builder and keep a detailed résumé readily available within the portal. Employers may then reach in and conduct candidate searches based on seeker skills/experiences. This in effect allows "jobs" to actually "find" our seekers. The portal's user-friendly functionality makes it an efficient tool for both seekers and employers.

The partnerships forged with civilian employers build operational capacity for the Army Reserve and the Reserve components; they fortify the resilience of our Families; they serve those who have served; and they strengthen our Employer Partners. The Army Reserve's underwriting of Employer Partnership of the Armed Forces program represents a positive investment for America.

THE EMPLOYER PARTNERSHIP PROMOTES SKILLS AND OPPORTUNITY SHARING WITH THE HOME FRONT

PROGRAM PROVIDES ADVANTAGE TO LOCAL COMMUNITIES AND THE MILITARY

Employers realize that it makes sense to hire personnel already trained and experienced. Reserve Service members and Veterans fit this bill. They are skilled in a wide variety of disciplines including healthcare, transportation, logistics, supply chain management, law enforcement, public safety, construction, engineering, finance, information technology and telecommunications. By providing access to talented Service members, the Employer Partnership of the Armed Forces saves local employers time and money.

The military also benefits. Best practices from industry, and experience with cutting edge technology and medical procedures flows into our Armed Forces through Reserve service. And, as the Employer Partnership (EP) helps Service members progress in their civilian career fields, increased expertise is brought to military assignments.

Perhaps most important to the home front are the career opportunities the EP brings to Service members, their Families and our Veterans. The Employer Partnership program truly exemplifies a positive investment in America, and our commitment to taking care of our entire Military "Family."

CAREER OPPORTUNITIES ACROSS AMERICA

The EP program has written agreements with more than 1,300 Employer Partners; with jobs in every U.S. State and territory.

STRENGTHENS LOCAL ECONOMIES

Efficient access to trained and qualified work force saves time. Hiring costs also lowered by reducing need for duplicate drug and aptitude screening.

INSIDE TRACK TO OPPORTUNITY

Provides Service members with an inside track to employers who are committed to hiring Reservists and Veterans.

A CONCRETE WAY TO SUPPORT TROOPS

The EP program gives employers a tangible way to support our troops while also strengthening America's economy.

THE ARMY RESERVE'S CORE COMPETENCIES: BATTLE TESTED, SKILL RICH ARMY RESERVE SOLDIERS IN AN OPERATIONAL FORCE PROVIDE STRENGTH FOR AMERICA AND IT'S ECONOMY

LOGISTICS

Logistics is one of the most important capabilities of the Army Reserve. From supply-chain management to land, water, and air operations, the Nation's defense depends on the efficiency of our Expeditionary Sustainment Commands; Transportation, Petroleum, Quartermaster and Supply units. Army Reserve Soldiers are skilled and experienced in delivering the right product at the right time to our customers world-wide.

HEALTHCARE

Breakthroughs in trauma techniques and procedures often originate from battlefield medicine. The majority of the U.S. Military's medical capability resides in the Reserve components. As a result of their military service, Army Reserve doctors, nurses, technologists and other medical service practitioners are able to bring extraordinary practical experience to local care providing institutions across the United States.

INFORMATION/COMMUNICATIONS

Information is critical to successful operations on the modern battlefield. Satellite, microwave, cell and fiber-optic are among the many means; code-division multiplexing, time division and frequency division multiple access are among the technical methods which enable this. Data collection, analysis and reporting activities form the information and intelligence that is communicated. The Reserve has operators, enablers and trainers in all of these disciplines. Army Reserve Communicators are information age proficient.

MANAGEMENT

The development of leadership and management skills begins early in every service member's career. Military training stresses leadership principles, sound decisionmaking and overcoming challenges. This is important because Soldiers are responsible for major equipment systems, and above all, are responsible for the well-being of those they lead. Army Reserve Soldiers are responsible and capable leaders.

CRITICAL READINESS NEEDS OF AN OPERATIONAL RESERVE

Adequate resources to respond to Homeland Defense missions.
 Additional mandays in the last 3 years of the ARFORGEN cycle.
 Provide Simulations and Simulators to enable operationally relevant, full spectrum training for Soldiers anytime/anywhere.
 Ensure Home station training capabilities to support critical home station pre-deployment training.
 Sustain the availability of training equipment.
 Support for programs to Protect the Force.
 Continue support for a fully integrated operational Aviation force.
 Provide a strong Army Reserve Network Defense.
 Funding for essential and mandatory secure communications.
 Creation of a standardized computing environment.
 Construction and upgrade of Army Reserve Centers, and Training Facilities.
 Support for programs to reduce energy usage, conserve natural resources, and develop alternate renewable energy.
 Continue the work of Army Reserve Virtual Installation Program.

*Operations**An Operational Force*

The Army Reserve continues to provide vital capabilities to combatant commanders in support of overseas contingency operations. More than 196,711 Army Reserve Soldiers have mobilized in support of Operation Iraqi Freedom/New Dawn and Operation Enduring Freedom since September 11, 2001. Today, more than 15,584 Warrior Citizens are serving in Iraq, Afghanistan and 22 other countries around the globe.

We execute a pre-mobilization readiness strategy that provides the Army ready formations and soldiers on an annual, predictable cycle. Through the Army Force Generation (ARFORGEN) model, the Army Reserve synchronizes the plans and resources necessary to meet the readiness goals for units entering their available year. This maximizes "boots on the ground" time, builds cohesive teams and provides predictability for our Soldiers and Families.

Homeland Operations (HLO)

Homeland Operations, which includes Homeland Defense, Homeland Security and Defense Support of Civil Authorities, has become an increasingly important mission for the Army Reserve and its applicable capabilities. The Army Reserve currently provides 37 units in support of the Chemical Biological Radiological Nuclear Response Enterprise. Properly managing this Army Reserve commitment will necessitate growth of full-time manning and Troop Program Unit positions within the Homeland Defense Division.

The Army Reserve has relevant and capable units that we leverage in a Defense Support of Civil Authorities environment. This includes, but is not limited to, the following types of units: medical aviation, transportation, engineering, communications, and Civil Affairs. These capabilities can be packaged with the appropriate command and staff structure to facilitate assistance to civil authorities. This packaging can also provide necessary command and control of Title 10 Department of Defense resources in a defined joint environment. When combined with legislative efforts to amend existing mobilization authorities, the U.S. Army Reserve can provide significant resources to support civil authorities in domestic disasters and emergencies.

Theater Security Cooperation Programs (TSCP)

As requirements for Deployed Expeditionary Forces decrease as the result of planned force drawdowns in Operations New Dawn and Enduring Freedom, the Army Reserve is exploring other missions in an effort to sustain experience and readiness levels. Combatant commander TSCP programs require a wide range of forces, such as military police, for missions of varying duration. In many cases, Army Reserve formations are ideally suited to conduct these missions. The use of Army Reserve units: reduces stress on the active component, preserves the readiness gains made in the reserve component over the last decade, and spreads the burden of defending American interests across a larger portion of the citizenry.

Training

Mandays to support an Operational Reserve

Using a progressive training strategy, the Army Reserve is committed to providing trained companies and battle staffs to combatant commands upon mobilization. With adequate resources that support reoccurring operational employments, we can effectively fulfill our mission. A sufficient number of training mandays, during the last 3 years of the ARFORGEN cycle, is imperative to meet established readiness aim points, which reduces post-mobilization training time and increases Boots on the Ground time for theater operations.

Simulations and Simulators

The Army Reserve continues to engage the Army's Training Support System Enterprise that provides networked, integrated and interoperable training support capabilities that enable operationally relevant, full spectrum training for Soldiers anytime/anywhere. The use of simulations and simulators minimizes turbulence for Soldiers and their Families caused by training demands during the first 2 years of the ARFORGEN process by enabling individuals and units to train at their home station and during exercises in a safe environment without the increased wear and tear on equipment. An example of the simulators used to train Soldiers is the fielding of more than 630 Laser Marksmanship Training Systems to 346 Army Reserve locations over the past year.

Home Station Training Capabilities

The Army Reserve remains dedicated to providing suitable platforms to support critical home station training for its units. Home station for the Army Reserve includes Reserve Centers, Local Training Areas, Regional Training Sites, and installations. Home stations must adequately portray the operational environment in training venues, facilities, and ranges with a mix of Live, Virtual (Simulators), and Constructive (Simulations), including gaming technologies. Modernizing our facility infrastructure through additional Military Construction and the retrofitting of existing facilities with state of the art classrooms and simulator/simulation rooms enhances our ability to conduct individual and collective training, such as the inclusion of the weapons simulator rooms in our new Army Reserve Centers. Upgrading our existing Local Training Areas, and Regional Training Sites with ranges and training facilities provides units the capability to master critical tasks while training close to home.

Army Reserve Comprehensive Soldier Fitness

Comprehensive Soldier Fitness marks a new era for the Army Reserve by comprehensively equipping and training our Soldiers, Family members and Army Civilians to maximize their potential and face the physical and psychological challenges of sustained operations. We are committed to Comprehensive Soldier Fitness that will enhance resilience and coping skills enabling the Force to grow and thrive in today's Army Reserve.

This year, the Army Reserve trained over 100 Non-Commissioned and Commissioned Officers at the Department of the Army's Master Resiliency Trainer's Course. These trained leaders form the core of our resiliency effort and are currently conducting Resiliency Training at Army Reserve units globally. Initial feedback from Soldiers and Civilians that have attended this training, has been overwhelmingly positive.

Training Equipment

The Army Reserve has been able to meet both the logistics readiness requirements for mobilizing its units as an Operational Reserve force and the enduring standards outlined in regulations and directives. These results have been delivered through effective and intensive management, innovative programs, and strict adherence to priorities and effective enablers such as contracted maintenance and support to our units. We have developed and fielded "bridging" logistics management and information systems to augment those fielded and programmed by the Army. These systems have created a near "real time" data warehouse and responsive tools for our managers to quickly identify and resolve issues, especially in maintenance, property accountability and equipment distribution. We continue to find innovative ways to accomplish our missions with the resources provided as we move towards full implementation of our position as an Operational Reserve within the Army Force Generation Model.

Security

The Office of the Provost Marshall (OPM) manages the Force Protection of Army Reserve facilities and personnel. OPM's core functions are Antiterrorism, Police Operations, Physical Security and Law Enforcement. The Army Reserve has identified three mission priorities that OPM is responsible for managing which require funding:

Installation Access Control

Army Reserve facilities are distinctive because they are stand-alone facilities in remote parts of the country. Maintaining positive control of access to these facilities is paramount to ensuring that the Soldiers and equities inside these facilities remain ready and available to combatant commanders. Funding to modernize access to Reserve facilities supports the Army Reserve objective of Protecting the Force.

Intrusion Detection System (IDS) Maintenance and Monitoring

IDS systems monitor arms rooms at Army Reserve facilities 24-hours a day. Should an arms room at a remote facility be breached, creating the possibility that military weapons could fall into the hands of criminals or terrorists, the monitoring program ensures that authorities will be notified immediately.

Antiterrorism Program Management

Antiterrorism (AT) Assessment Specialists are the key component of the Antiterrorism Program. AT Specialists conduct inspections of Army Reserve facilities across the Nation to ensure facilities are in accordance with Department of Defense and Army standards. The Army Reserve spans over 1,100 stand-alone facilities across the continental United States. With appropriate funding the Army Reserve can protect Soldiers and equipment vulnerable to criminal and domestic terrorist threats.

Aviation

Army Reserve Aviation is a fully integrated, operational force with a fleet of more than 198 rotary wing and fixed wing aircraft. The diverse fleet provides speed, mobility, flexibility, agility, and versatility to the Army in support of full spectrum operations. Army Reserve Aviation has recently activated two new MEDEVAC companies. The MEDEVAC companies are located in Texas, Colorado, Pennsylvania, and Kentucky. Additionally, the Army Reserve aviation fixed wing units will accept delivery of six new C12V1 aircraft in 2011. These aircraft will fill a critical capability gap to meet Continental United States (CONUS) based training requirements in preparation for Overseas Contingency Operations. The Army Reserve continues to seek funds for the procurement four additional C12V1 aircraft. Lastly, Army Reserve Aviation continues to lead the way in Air Traffic Simulation. The first unit level Air Traffic Control simulator, located in the Marrayman Simulation Complex, Fort Rucker, Alabama became operational this year. The system meets all Federal Aviation Administration requirements for certification. The simulator provides qualification and proficiency training for all Army controllers. This simulator is also used in aviation training exercises to validate controller skills prior to deployment.

Base Realignment and Closure

The Army Reserve is in its final year of the 6-year execution of the BRAC 2005 mandated execution—which officially ends on September 15, 2011. Upon the conclusion of this BRAC window, the Army Reserve will have made significant changes shaping the force for relevant contributions well into the future. The year's execution will mark the culmination of the largest transformation of the Army Reserve since World War II by realigning the command and control structure into an operational configuration; realigning six major headquarters including Office of the Chief, Army Reserve and United States Army Reserve Command to new locations; disestablishing 12 Regional Readiness Commands; establishing four Regional Support Commands; activating five Sustainment Commands and eight Sustainment Brigades; constructing 125 Armed Forces Reserve Centers; and closing 190 facilities or activities.

BRAC provides an opportunity for the Army Reserve to power down to our major commands some of the functions that are typically managed at the Army Reserve Headquarters. We are implementing the Army's enterprise approach within our staff, which includes managing things like personnel issues and logistics issues at the lowest possible level of organization. When we power down some of these management issues to our regional and operational/functional commands during our BRAC move, it may make sense for those commands to retain management of some of those issues.

Completing the construction of 61 Armed Forces Reserve Centers and relocating units into these new facilities remains the largest priority of execution for fiscal year 2011 as all actions must be completed by September 15, 2011. The relocation of units into these new facilities will facilitate the closure and disposal of the remaining 143 of 176 Army Reserve Centers identified by BRAC for closure.

Over the next year the Army Reserve will execute and complete the remainder of all Army Reserve BRAC actions. These remaining actions will mark the end of the largest transformation efforts the Army Reserve has seen in its storied history.

Communication (Information Technology)

Army Reserve Network

The Army Reserve Network (ARNET) provides the Command and Control (C²) enablement in operationalizing the Army Reserve. The ARNET provides Army Reserve Leaders and Soldiers the ability to make timely informed decisions in the execution of overall C² for all Army Reserve units throughout the contiguous United States and Puerto Rico. Over the past 2 years, the Army Reserve has worked closely with the Army in implementing the Global Network Enterprise Construct (GNEC) strategy as the way to grow and improve LandWarNet to an Enterprise activity. The ideal end-state is to provide Soldiers a universal email address, file storage, telephone number and a standardized collaboration tool set.

The Army Reserve's contributions to GNEC began in 2002 with an Army Business Initiative Council approved project. Elements of the project re-structured the legacy ARNET into a portion of the LandWarNet and developed a consolidated Data Center providing centralized core services (i.e., Active Directory, email, collaboration, file storage and centralized application hosting) for the entire Army Reserve. With approximately 85 percent of the consolidation completed, continued funding of the ARNET is integral in maintaining a global warfighting C² capability. The Army Reserve's accomplishments and experiences have been applicable to the Army as we continue to participate in GNEC planning forums in aligning Army initiatives and timelines while ensuring Army Reserve Title 10 operational capabilities are met.

CYBER OPERATIONS

Army Reserve Soldiers offer current skill-sets and leap-ahead capabilities in the cyber environment. Warrior-Citizens employed in leading-edge technology companies have critical skills and experience in fielding the latest information technology systems, networks, and cyber security protocols.

Secure Communication

Secure communications is essential and mandatory, particularly with C² and mobilization (i.e., deployment dates, passing mobilization orders, and C² theater assets). Secure Internet Protocol Router Network (SIPR) and Secure Video Teleconference (SVTC) for all Battalion and above units are vital in meeting all pre-mobilization training/readiness gates, mobilization training actions and day-to-day secure operational planning. The security of the Global Information Grid (GIG) is a constant challenge and reflected in DOD's standup of Cyber Command and the associated service elements. The same is true in the overall security posture of the ARNET in ensuring the uninterrupted flow of information to all ARNET authorized users. Continued investment in the Army Reserve secure communications and defense of the ARNET supplies Army Reserve Leaders, Soldiers and Civilians the capability of attacking and exploiting network threats.

Army Reserve Facilities

Reserve Centers, Training Support and Maintenance facilities are designed to meet the unique requirements of our community-based force. Our Soldiers, Families, and Civilians are strategically located across the country in over 1,100 stand-alone facilities—Army Reserve Centers or Armed Forces Reserve Centers (which house other Department of Defense components along with Army Reserve). However, the needs of the Army Reserve are evolving. The Military Construction Army Reserve priorities for the fiscal year 2012–2017 Program Objective Memorandum are Army Reserve Centers, training support facilities, and maintenance facilities. The Army Reserve Centers are essential to training Reserve Soldiers for the full spectrum of operations and the operations of the Army Reserve. Training Support Facilities are critical to conducting Army Reserve and active-component unit and collective training tasks in support of the Army Force Generation Model requirements. These facili-

ties also provide the training platform to support The Army School System, which is composed of the reserve component, the active component Military Occupational Skill reclassification, and Officer and Non-Commissioned Officer Professional Military Education. Maintenance Facilities are the third priority to the facility strategy required as the logistics support to Army Reserve Equipment.

Base Realignment and Closure and emerging Army requirements for modular unit design, force protection, and energy efficiency continue to require new facilities or renovations to our existing facilities. Quality facilities are critical to the Army Reserve's ability to handle the increased training, mobilization, and Family and Soldier care activities that today's Army Reserve demands.

Energy Conservation

The Army Reserve is especially proud that our facilities are at the forefront of energy sustainability. In 2010, several new Reserve Centers will achieve net-zero energy usage (self-sufficient without drawing additional power from the electrical grid). We have established a solar energy farm at Fort Hunter Liggett, California, and are installing wind turbines and geothermal plants at several new facilities. The Army Reserve has started a retrofit program, replacing lights, windows, roofs, and other components with new energy-efficient technology, resulting in substantial savings in utility costs. The Army Reserve was the first Defense component to commission partnerships with local utility providers and to solicit third-party energy investors. In 5 years every State and U.S. territory will have Army Reserve facilities that are energy self-sufficient (net-zero), with many providing renewable energy back to the electrical grid. To continue this progress, the Army Reserve must conduct a sustainability evaluation of each facility. This will establish a sustainability baseline, which will in turn enable us to create a sustainability strategy that addresses the unique characteristics of each site. Continuing to invest in sustainable facilities will enable the Army Reserve to meet or exceed the Department of Defense requirement for a completely net-zero footprint by 2025. More importantly, the Army Reserve will save American tax dollars, return a valuable energy resource to the community, and assure reliable energy for Army Reserve Soldiers and Families.

Until energy independence is realized, it is imperative that the Army Reserve have fully funded utilities. In previous years utility costs have risen substantially, requiring the Army Reserve to re-program funds and accept risk in other areas. The Army's increasing emphasis on home-station training, ongoing deployments, and the needs of Army families in the community means that the Army Reserve needs constant, reliable access to energy in our Reserve Centers and training facilities now more than ever.

The Army Reserve was the first Defense component to commission partnerships with local utility providers and to solicit third-party energy investors.

EQUIPPING

CRITICAL EQUIPPING NEEDS OF AN OPERATIONAL RESERVE

Resource Modernized equipment for the Army Reserve to improve Army Reserve readiness and capabilities within the ARFORGEN Model.

Maintain Army Reserve equipment at or beyond the Army standard of 90 percent Fully Mission Capable.

Provide Contracted Support for logistics operations and information systems to sustain logistics readiness.

Funding for state-of-the-art maintenance facilities.

Army Reserve Materiel

The Army Reserve, thanks to the support of Congress, is at an aggregate total of nearly 90 percent of its required equipment on-hand. Sixty-five percent of our on-hand equipment is classified as "modernized." However, we remain short in several areas of critical equipment. Around 35 percent of our required equipment lines are at less than 65 percent on hand. These shortages include tactical communications networks (satellite and terrestrial), command and control items and night vision systems. We have been able to sustain the pace of operations and training as an Operational Reserve by the continuous cross-leveling of available equipment among

units. This does create an unsustainable level of friction, where a critical amount of equipment is not immediately available as the equipment is in transit (geographical dispersion of our units across the country), undergoing maintenance or awaiting deployment. In addition, some of our equipment is already deployed. The Army continues to work with us on identifying and filling shortages to improve readiness and capability to act as an Operational Reserve force under the Army Forces Generation Model.

Equipment Maintenance

The Army Reserve maintains its equipment at or beyond the Army standard of 90 percent Fully Mission Capable. This ensures the availability of equipment for training and mobilization to support the operational force within the Army Force Generation Model. Units cannot train or mobilize without equipment that is ready to perform. Field level maintenance keeps the equipment ready for use. Funding for tools, consumables, military technician mechanics and contracted support sustains our field level maintenance activities. Good maintenance reduces the amount of “friction” (equipment in shop, in transit, etc.) that removes equipment from use. Depot maintenance is important in keeping older equipment operable, relevant and safe to employ. Recapitalization of equipment provides a source of modernized and more capable items when new procurement is insufficient to meet shortfalls or inventory losses. Funding for military construction provides new, modernized or expanded facilities to perform maintenance and staging of equipment.

Logistics Contract Support

It is prudent to fund the Army Reserve for contract support for logistics operations and information systems to sustain logistics readiness. Contract support allows the Army Reserve to execute a vigorous assistance program in managing inventory and identifying and disposing of excess; providing field level repair and services during “surge” periods when units draw equipment for training or mobilization and in sustaining our critical logistics information and management systems. Contract support also strengthens our ability to meet operational demands and serve as an operational force within the Army Force Generation Model, while meeting Homeland Defense and Defense Support to Civil Authorities missions.

However, we remain short in several areas of critical equipment. Around 35 percent of our required equipment lines are at less than 65 percent on hand. These shortages include tactical communications network (satellite and terrestrial), command and control items and night vision systems.

Leveraging contracted support, especially during periods of “surge” in mobilizing units, has supplemented our organizational capabilities. This enabler assists us in maintaining and preparing our equipment for training, mobilization and deployment, in operating and sustaining our logistics management and information systems in support of logistics operations and in managing the distribution of our equipment and identification and disposal of excess. We continue to find innovative ways to accomplish our missions with the resources provided as we move towards full implementation of our position as an operational force within the Army Force Generation Model.

Equipment Facilities Management

State-of-the-art maintenance facilities are the cornerstone of the Army Reserve’s ability to sustain large equipment. The Army Reserve uses state-of-the-art environmental control features in maintenance facility designs that meet or exceed Federal design standards. Data ports at vehicle work bays, fluid distribution systems that eliminate spillage, and oil/water separators are examples of proven design features. These features improve efficiency and enhance collection of fossil fuel waste, further safeguarding surrounding communities’ land and waterways from contamination and pollution. Fire suppression systems and eye wash stations are standard safety design elements. The Army Reserve will continue to upgrade our older maintenance facilities, because the condition of maintenance facilities is directly related to our ability to maintain equipment in acceptable condition. Continued deployments and heavy training have taken a toll on both equipment and facilities. Facility sustainment is critical—in fact, it is a cost-saving measure realized over the life-cycle of the facilities, if done properly. Facility deficiencies, if left unchecked, tend to worsen exponentially over time. The ongoing investment in the facilities we build will ultimately reduce repair, renovation, and replacement costs in the future.

CONCLUSION: THE FORCE IS IN GOOD HANDS

As we travel around the United States and the world and witness what our Soldiers are doing for their country, it's just inspiring to see the quality, the dedication and the professionalism of our Soldiers serving in the Army Reserve. These are top-notch individuals that have put their civilian careers on hold. They are well educated and have very bright futures ahead of them—but they joined our ranks to serve their country.

With more than 170,000 Army Reservists mobilized since the September 11, 2001 terrorist attacks on the United States, the force is more experienced than ever before and the Troops feel good about what they've accomplished and proven about the Army Reserve.

Today's environment of multiple deployments is telling us, however, the Army Reserve will need to keep giving these quality Soldiers fulfilling training and missions, a fair benefits package and more balance in their lives to keep them on our team. We cannot continue to expect them to keep up with a rapid operational pace without more time at home with their families and civilian employers between deployments, and they need predictability about when they will deploy. Toward that end, the Army Reserve is working to give its Citizen-Soldiers a bit more time to be "Citizens."

Today's Army Reserve recruits are attracted to an operational force because it enables them to serve their country in a meaningful way while allowing them to pursue a civilian career. When considering the future posture of the Army Reserve, we are convinced that after playing key roles in an operational force, they'll never be satisfied reverting to their long-abandoned "weekend warrior" status. We have transitioned our personnel and our mentality to an operational force and have created an environment and culture our Soldiers want to be part of—and that they feel good about. We have told the Army leadership and others there's no turning back. We cannot go back to a strategic reserve—one, because the Nation needs us; but two, because our Soldiers have proven themselves capable of supporting this role.

Equally compelling, we as a military have come to the realization that we can't fight an extended conflict without the reserve. We have built an Army that is dependent on having access to the reserve when it needs us; and with the expectation that it is going to be trained and ready—a predictable capability that is not possible in a strategic posture.

One thing is certain about the future—while looking for ways to cut costs and reap a "peace dividend" once the troops draw down in Iraq and Afghanistan, there will be the temptation to turn back the clock and reinstitute a strategic reserve. Such a plan would deprive the United States of an important, battle-tested and cost-effective resource.

Operations Enduring Freedom, Iraqi Freedom and now New Dawn have demonstrated the capabilities the reserve components bring to the military. Particularly important are the "enabling capabilities" resident in the Army Reserve: logistical, engineer, military police, medical and civil affairs support.

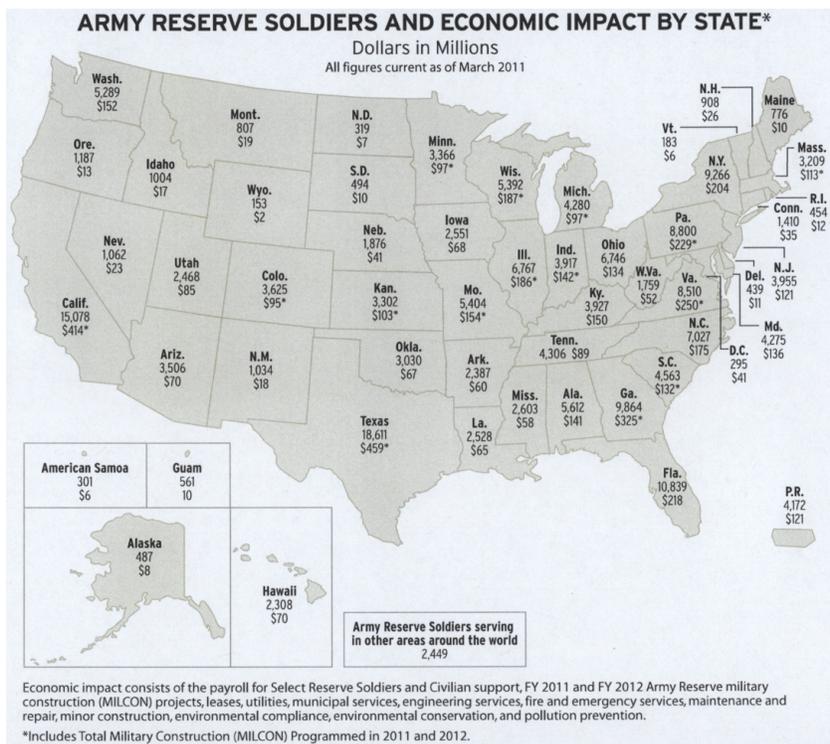
We are now at a point where current and projected demands for Army forces will require continued access to the Army's reserve components, making real what has been in policy for some time. This means that mobilization and operational use of reserve component Soldiers and units will have to continue for the foreseeable future. The Army of the 21st century will require a versatile mix of tailorable and adaptable organizations—both active component and reserve component—interdependently operating on a rotational cycle.

Transforming the Army's reserve components into an enduring operational force provides a historic opportunity for the Army to achieve the most cost-effective use of its Total Force through investing in and relying on the Army's reserve components to take on a greater role in our Nation's defense.

I am an American Soldier.
 I am a Warrior and a member of a team. I serve the people of the United States and live the Army Values.
 I will always place the mission first.
 I will never accept defeat.
 I will never quit.
 I will never leave a fallen comrade.
 I am disciplined, physically and mentally tough, trained and proficient in my warrior tasks and drills. I always maintain my arms, my equipment and myself.
 I am an expert and I am a professional.
 I stand ready to deploy, engage, and destroy the enemies of the United States of America in close combat.
 I am a guardian of freedom and the American way of life.
 I am an American Soldier.

YOUR ARMY RESERVE

The United States Army Reserve provides trained units and qualified Soldiers available for active duty in the armed forces in time of war or national emergency, and at such other times as the national security may require. Throughout the United States, the Army Reserve has four Regional Support Commands that provide base support functions, and 13 Operational and Functional Commands available to respond to homeland emergencies and expeditionary missions worldwide.



ARMY RESERVE SNAPSHOT

Mission.—The Army Reserve provides trained, equipped, and ready Soldiers and cohesive units to meet global requirements across the full spectrum of operations.

Vision.—As an enduring operational force, the Army Reserve is the premier force provider of America’s Citizen-Soldiers for planned and emerging missions at home and abroad. Enhanced by civilian skills that serve as a force multiplier, we deliver vital military capabilities essential to the Total Force.

Key Leaders

Secretary of the Army: The Honorable John McHugh
 Army Chief of Staff: General George W. Casey, Jr.
 Chief, Army Reserve and Commanding General, U.S. Army Reserve Command: Lieutenant General Jack C. Stultz
 Assistant Chief, Army Reserve: Mr. James Snyder
 Deputy Commanding General, U.S. Army Reserve Command: Major General Jon J. Miller
 Deputy Chief Army Reserve, Individual Mobilization Augmentee: Major General Keith L. Thurgood
 Deputy Chief Army Reserve/Human Capital Enterprise: Brigadier General Leslie A. Purser
 U.S. Army Reserve Command Chief of Staff: Brigadier General William J. Gothard
 Director for Resource Management/Materiel Enterprise: Mr. Stephen Austin
 Deputy Chief of Staff, G-3/5/7/Force Programs Division/Readiness Enterprise: Colonel (P) Brian J. McKiernan
 Chief Executive Officer/Director, Services and Infrastructure Enterprise: Mr. Addison D. Davis
 Command Chief Warrant Officer: Chief Warrant Officer 5 James E. Thompson
 Command Sergeant Major: Command Sergeant Major Michael D. Schultz

Army Reserve Basics

Established: April 23, 1908
 Designated Direct Reporting Unit to Army: October 1, 2007
 2010 Authorized End Strength: 205,000
 Selective Reserve Strength: 205,281
 Accessions for fiscal year 2009: 23,684 (105 percent of actual goal)
 Reenlistments for fiscal year 2009: 12,227 (105 percent of annual goal)
 Accessions Goal for fiscal year 2010: 20,000
 Soldiers Deployed Around the World: 15,584
 Soldiers Mobilized Since September 11, 2001: 196,711
 Number of Army Reserve Centers: 1,100

Distinctive Capabilities

The Army Reserve contributes to the Army’s Total Force by providing 100 percent of the:

- Theater Engineer Commands
- Civil Affairs Commands
- Training Divisions
- Biological Detection Companies
- Railway Units
- Replacement Companies
- . . . more than two-thirds of the Army’s:
- Medical Brigades
- Civil Affairs Brigades
- PSYOPS Groups
- Expeditionary Sustainment Commands
- Dental Companies
- Combat Support Hospitals
- Army Water Craft
- Petroleum Units
- Mortuary Affairs Units
- . . . and nearly half of the Army’s:
- Military Police Commands
- Information Operations Groups
- Medical Units
- Supply Units

Army Reserve Demographics

Ethnicity (in percent):	
Caucasian	58.9
Black	21.8

Hispanic	12.8
Asian	3.7
Pacific Isl	1.0
Native Amer	0.7
Other	1.1
Average Age	32.1
Officers	40.7
Enlisted	30.3
Warrant	43.1
Married (in percent)	45.3
Officers	66.9
Enlisted	40.8
Warrant	72.2
Gender (in percent):	
Male:	76.6
Female	23.4

Army Reserve Budget Figures

	Total fiscal year 2011 budgeted: \$8.1 billion	Total fiscal year 2012 programmed: \$8.8 billion
Operations and maintenance	\$3.2 billion	\$3.1 billion
Military Personnel	4.7 billion	5.3 billion
Military Construction	318 million	318,175 million

Army Reserve Installations

Fort Buchanan, Puerto Rico
Fort McCoy, Wisconsin
Devens, Massachusetts
Fort Hunter Liggett, California
Fort Dix, New Jersey
Camp Parks, California

Chairman INOUE. Admiral Debbink.

STATEMENT OF VICE ADMIRAL DIRK DEBBINK, CHIEF, NAVY RESERVE

Admiral DEBBINK. Chairman Inouye, Vice Chairman Cochran, thank you for the opportunity to appear before you today.

I have the great appreciation for your support of our 64,426 sailors and their families of our Navy Reserve. I would like to make a special mention of one of those sailors today, and that is our senior enlisted adviser, Force Master Chief, Ronney Wright, who is with me today. He will be retiring next month after 31 years in our Navy and 3 years as my senior enlisted adviser.

I wanted to publicly wish both he and his wife, Donna, all the best in the future. Stand up?

As I testify today, Navy Reserve sailors are operating globally. Approximately 30 percent of the Navy Reserve is providing support to Department of Defense operations, including more than 5,500 selected Reserve sailors either mobilized in support of overseas contingency operations or in training for their upcoming mobilization.

While fully engaged in these operations, your Navy Reserve has answered the call to assist with major global crisis events during the last several months, including Operations Odyssey Dawn and Tomodachi. As our motto and our sailors proudly claim, the Navy Reserve, indeed, is ready now—anytime, anywhere.

We have the ability and the flexibility to meet emergent mission requirements such as these, due in large part to this subcommittee's continued support. The \$70 million in National Guard and Re-

serve equipment appropriations this subcommittee provided in fiscal year 2011 will be put to very good and timely use by the Navy Reserve.

I also thank you for your demonstrated support of our Navy Reserve fleet, logistic aircraft, including the additional C-40A aircraft in the fiscal year 2011 budget.

Our 2012 budget request will enable your Navy Reserve to continue supporting current operations, while optimizing the strategic value of the Navy Reserve as a relevant force, valued for its readiness, its innovation, its agility, and its accessibility.

Along with the other Guard and Reserve components, we played a critical role in the discussion and outcome of the recent comprehensive review of the future roles of the Reserve components by OSD. One of the products of this review was a legislative proposal before this Congress that allows for future routine deployments of the Reserve components as a resource to meet overseas requirements.

This proposal signifies a fundamental shift in the use of the Reserves, recognizing both the high level of expertise, as General Stultz talked about in these forces, as well as a desire of today's Reserve sailors to continue performing real and meaningful work within the Navy's total force.

Our Navy Reserve budget request also addresses the health and well-being of our sailors and their families. As written in the President's report, entitled "Strengthening Our Military Families," stronger military families strengthen the fabric of America. Our budget request includes funding for vital programs in support of the physical, psychological, and financial well-being of Navy Reserve sailors and their families.

It is a privilege to serve during this important and meaningful time in our Nation's defense, especially as a Navy Reserve sailor. I thank you for your continued support and demonstrated commitment to both the Navy and the Navy Reserve, and I look forward to your questions.

Thank you, sir.

Chairman INOUE. I thank you very much, Admiral.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL DIRK J. DEBBINK

INTRODUCTION

Chairman Inouye, Senator Cochran, and distinguished members of the Senate Defense Appropriations Subcommittee, as I enter my third year as the Chief of Navy Reserve, I thank you for the opportunity to speak with you today about the capabilities, capacity, and readiness of the 64,568 dedicated men and women who serve in our Navy's Reserve Component. I offer my heartfelt thanks for all of the support you have provided these great Sailors.

The U.S. Navy is globally deployed, persistently forward, and actively engaged. America's Navy, year after year, in peace and war, carries out the core capabilities of forward presence, deterrence, sea control, power projection, maritime security, and humanitarian assistance and disaster response articulated in our maritime strategy A Cooperative Strategy for 21st Century Seapower (CS-21). This Nation's Navy derives its strength from the active and reserve Sailors and Navy civilians who comprise our Total Force. The Navy's Total Force is not just a concept; it is an operational and organizational reality. Operational Navy missions are executed by the Active Component (AC), the Reserve Component (RC), or a combination of both. AC and RC Sailors also provide strategic depth for maritime missions to en-

sure your Navy is always ready to respond globally to crisis situations while maintaining fiscal efficiency across the spectrum of operations.

Our maritime strategy establishes naval power as an enduring concept and recognizes the Navy must constantly evolve and innovate to face emerging and future challenges. These two concepts—the enduring mission of our Navy and the reliance we place upon both components of Navy’s Total Force to accomplish our objectives—inform our efforts as we review where we have been and consider our future.

The Navy Reserve Strategic Plan charts our continued progress toward providing valued capabilities as part of Navy’s Total Force. On October 1, 2010, we released the fiscal year 2011 update to *Ready Now: The Navy Reserve Strategic Plan*. Launched in early 2009, this Strategic Plan defines our mission, articulates our vision, and establishes strategic focus areas to organize our change efforts. In its third year of execution, this plan serves as the blueprint for shaping the Navy Reserve so it can effectively and efficiently carry out those Navy missions for which the Navy Reserve is well-suited. This year’s update identifies 12 new initiatives focused on a wide range of improvements which include: making it more efficient for our Sailors to attain training and medical readiness; improving customer service; and determining the proper force mix of active and reserve contributions for current and future Navy capabilities across the mission spectrum.

The foundation of all of our initiatives is to provide the necessary support to our Sailors and their families as one of my top priorities. This country owes a great debt to the men and women who have gone in harm’s way to support contingency operations globally. It is our obligation to provide our Sailors every opportunity to succeed at home station and while deployed, and to provide the means to reintegrate once they return from overseas.

Our Navy Total Force Vision for the 21st Century (NTF 21) clearly articulates Navy’s vision for a Total Force and emphasizes our active Sailors, reserve Sailors, and Navy civilians as Navy’s most important resource and a critical component to meeting the demands of CS-21. NTF 21 guides our Navy’s personnel policy and strategy and articulates our Total Force mission to attract, recruit, develop, assign, and retain a highly skilled workforce for the Navy. I discuss our various personnel policies in greater detail in Section III below.

2010: FULLY ENGAGED—FROM PEACE TO WAR

Operationally, the Navy Reserve is fully engaged across the spectrum of Navy, Marine Corps, and joint operations, from peace to war. Right now, approximately 5,800 mobilized or deployed Navy Reserve Sailors are providing around half of the Navy’s ground forces serving in the U.S. Central Command Area of Operations and in other critical roles worldwide.

While executing these mobilizations, we are also providing valued capabilities for urgent requirements and ongoing operational support missions. In the immediate aftermath of the devastating earthquake in Haiti, the Navy Reserve was an important part of “Operation Unified Response” and Joint Task Force Haiti. Within hours, Navy Reserve Fleet Logistics Support Wing (VR) aircraft provided on-demand airlift, delivering urgently needed food, water, and medical supplies to the Haitian population. Navy Reserve doctors, nurses, and hospital corpsmen left their homes and families to serve ashore and on the hospital ship USNS *Comfort*. From medical professionals and Seabees to ground crews, logisticians and communicators, providing “on-demand expertise” is what makes the Navy Reserve a highly valued partner in Navy’s Total Force.

More recently, a VR C-40A Clipper was tasked to support the Department of State’s (DOS) and Department of Defense’s (DOD) Egypt contingency. The crew launched from Bahrain at 0400L and transported 33 Marines from the theater’s Fleet Anti-terrorism Security Team (FAST) and 7 Country Surveillance Assessment Team (CSAT) members from the Combined Forces Special Operations Component Command (CFSOCC) to Cairo International Airport. The FAST and CSAT members were tasked by DOS and DOD leadership to execute the Non-Combatant Evacuation Operation (NEO) for American citizens from the U.S. Embassy.

Also, Navy Reserve assets played a critical role in Operation Tomodachi, the Department of Defense’s assistance operation to Japan providing disaster relief following the 2011 Tōhoku earthquake and tsunami. Over 5,000 man-days were used by Reserve Sailors participating in the relief effort. Such vital expertise as a 30-member Nuclear Emergency Response Team (from Norfolk, Virginia) and a 18-member Radiological Control Team (from Pearl Harbor) were transported to Japan on VR aircraft. These two teams were the primary teams to mitigate the contamination of U.S. aircrew and aircraft prior to returning to USS *Ronald Reagan* and other U.S. Navy ships on station.

Every day Navy Reserve Sailors provide important operational support to this Nation with approximately one-quarter of our Sailors on full-time active duty, while many others provide their expertise on a “part time” basis. Some examples include the skilled engineers and technicians executing shipyard projects in the Naval Sea Systems Command’s Surge Maintenance program; Full-Time Support (FTS) and Selected Reserve (SELRES) aviators serving as instructors for 20 percent of the training sorties flown in Navy’s aviation training pipeline; and our Intelligence community providing key global intelligence support. Ideally suited to take on periodic and predictable work, our ready and accessible force of skilled Sailors provides valued capabilities on an ongoing basis. In the case of SELRES Sailors, when their work is completed they leave Navy’s payroll and return to their civilian employers.

Navy Reserve Sailors are highly skilled professionals. More than 70 percent of our Force are Navy Veterans—Sailors who still use the skills they were taught during their service in the AC. RC Sailors may also have industry-honed civilian skills that they bring to the Navy during periods of active service. These Sailors bring a wealth of experience, including expertise in high-end technology fields, knowledge of world-class business practices and an entrepreneurial mindset. This diverse work experience brings a unique and valued contribution to the Total Force.

Navy Reserve Sailors are not only highly skilled; they are an efficient and effective workforce. In fiscal year 2010, the Navy Reserve provided 17 percent of the total Navy Uniform end strength, utilizing 7 percent of total Navy personnel costs, while accounting for more than 913,000 days of support. Your Navy Reserve is fully engaged and prepared to do the work of our Nation—from peace to war.

PERSONNEL POLICIES

The success of the Navy Reserve Force is due first and foremost to the professionalism of the Sailors who volunteer to serve in a wide array of environments. Since the start of the military engagements in Afghanistan and Iraq, every member of today’s Reserve has enlisted or re-enlisted, and I am continually awestruck at the patriotism of these young Sailors. Navy Reserve leadership continually reviews policies and laws, ensuring our Sailors are afforded the greatest opportunity to participate in Navy’s Total Force and ensure each Sailor’s family and employer are appropriately recognized for their sacrifices on behalf of the service member. The fiscal year 2012 budget request of \$2.005 billion (including Overseas Contingency Operations (OCO) funding) for Reserve Personnel, Navy (RPN) will continue to support the Manpower needs and policies of the Navy Reserve.

One of the Navy Reserve’s strategic focus areas is to enable the Continuum of Service (CoS). CoS is not just a Reserve imperative, but a strategic imperative for the Department of Defense (DOD) and the Department of the Navy (DoN). CoS initiatives provide for seamless movement between the AC, RC, and civilian service, while delivering operational flexibility and strategic depth at the best value for the Navy. Enabling the CoS philosophy by fully incorporating opportunities unique to the reserve, we recruit Sailors once and retain them for life through variable and flexible service options that provide a career continuum of meaningful and valued work.

Building on our CoS efforts is one of my top priorities for fiscal year 2011. In the upcoming year, we will investigate a variable service option, in which volunteer members in the Individual Ready Reserve active status pool with desired critical skill sets (e.g., medical professions, SEALs, field Corpsmen, etc.) are identified and ready to fill contingency operations requirements if they desire. We will also seek to implement a Career Intermission Program with a SELRES Option that allows program participants to continue community training and qualifications during an intermission from active duty. This initiative provides AC Sailors an alternative to permanent separation as they pursue personal or professional goals such as caring for an elderly family member, continuing education, or starting a family. This exciting new lane change option builds on a successful Career Intermission Pilot Program initiated in 2009. Further, we are currently implementing a process to establish an Intermediate Stop (I-Stop) in support of a Sailor’s transition from AC to their gaining Navy Operational Support Center (NOSC). This initiative will allow Sailors to receive orders to their NOSC where the Sailors AC separation and RC gain transactions are completed.

All Sailors returning from overseas mobilizations are encouraged to attend a Returning Warrior Workshop (RWW), Navy’s “signature event” within the DOD’s Yellow Ribbon Reintegration Program (YRRP). The RWW is a dedicated weekend designed to facilitate reintegration of Sailors returning from combat zones with their spouses, significant others, employment, and communities. Staged at a high-quality location at no cost to the participants, the RWW employs trained facilitators to lead

warriors and their families/guests through a series of presentations and tailored break-out group discussions to address post-combat stress and the challenges of transitioning back to civilian life. As of December 31, 2010, a total of 66 RWWs have been completed, attended by 4,630 military personnel and 3,687 guests/family members. The fiscal year 2011–2012 budget supports 44 events, including four for the Marine Corps Reserve. Pioneered by the Navy Reserve, these workshops are available for all Navy Individual Augmentees. RWWs are a true success story in honoring our Sailors and their families. It is important to ensure this program continues to have both the full support of Navy leadership and the widest possible participation by all returning Sailors.

RWWs serve as a key component of the Navy Reserve Psychological Health Outreach Program (PHOP). The PHOP employs dedicated teams of mental health professionals to provide psychological health assessments, outreach, and education, including Operational Stress Control (OSC) and Suicide Prevention training for the Navy and Marine Corps Reserve Communities. Regularly scheduled encounters are used to screen service members prior to and after deployment. The program is designed to identify potential stress disorders, facilitate early intervention, and provide access to psychological health support resources. The availability, quality, and effectiveness of psychological services utilized by Navy/Marine Corps Reservists and their families is closely monitored. In fiscal year 2010, PHOP teams conducted mental health assessments for more than 1,600 Reservists, provided outreach calls to more than 2,400 returning Reserve Sailors, followed up on more than 1,100 cases referred from Reserve commands or family members, and provided 300 visits to NOSCs conducting OSC briefs to more than 23,000 Sailors. In fiscal year 2011, the PHOP will deploy a user-friendly website providing both Sailors and their family members an easy-to-access database of PHOP work products and points of contact.

The policies focused on enhancing the quality of life for Navy Reserve Sailors have paid dividends with regards to the end strength of the Force. Fiscal year 2010 marked a third consecutive year of notable Navy Reserve enlisted and officer recruiting achievements. Reserve enlisted recruiting met goal, and the measured educational achievement of our recruits was at the highest level ever. Since the active and reserve recruiting commands consolidated in 2004, more reserve officers were accessed in 2010 than in any year. Overall SELRES retention numbers were strong; however, increased pressure on members to prove their value to civilian employers, combined with a higher operational tempo, has resulted in higher attrition levels for members with critical skills sought both in and out of the military. Successful recruiting and retention strategies continue to play a critical role in attracting the right skill sets and talent to support the Fleet and Combatant Commands. Numerous initiatives are underway to get SELRES officer communities “healthy” by 2014, including targeted officer affiliation and future retention bonuses, the increase of accession goals, refinements in the Career Transition Office (CTO) process, and development of retention measurements and benchmarks. Incentives that target high-demand communities are essential in retaining members critical to mission accomplishment, and your support toward these efforts is very much appreciated.

As we enter fiscal year 2011, the Navy Reserve expects high retention and low attrition rates to continue (similar to active duty trends), due to our “Stay Navy” campaign, the ability to provide real and meaningful work, as well as the effects of the current economy. Our close management of planned accessions and losses, coupled with current force-shaping and personnel policies, will ensure we retain the most qualified/capable Sailors while working toward the fiscal year 2012 budgeted end-strength of 66,200 SELRES.

Navy is actively preparing for repeal of “Don’t Ask, Don’t Tell.” Sailors and leaders at all levels of the Total Force, including all Navy Reserve Sailors, are completing the required training in a face-to-face environment whenever possible. The central message of this training emphasizes the principles of leadership, professionalism, discipline, and respect.

Our fiscal year 2012 budget request supports an emphasis on sexual assault prevention while continuing compassionate support for victims. This prevention emphasis includes 12 SAPR workshops in fleet concentration areas worldwide, execution of a pilot prevention program focusing on young Sailors, our most at-risk demographic, and most importantly, a clear and consistent message from leadership at all levels that sexual assault will not be tolerated in the United States Navy.

There is no question the success of our Navy Reserve is due to the dedication, sacrifices and service of our Sailors, and the support they receive from their families and employers. I believe our policies reflect that same level of commitment, and I thank you for your support of our many programs, several of which have been described herein.

DEFINING OUR FUTURE

Numerous formal and informal studies examining the future role of the Reserve Components and the National Guard are in various stages of completion within and outside DOD. These studies are designed to assess the projected security environment of the world after the conclusion of the current Overseas Contingency Operations, as well as provide guidance on the capabilities that will be needed for our Nation's future security and continued prosperity. We are an active participant in these studies where appropriate. At the same time, we remain focused on the primary driving force defining our future: our integral role as an important component of Navy's Total Force.

Navy's maritime strategy is founded upon the truth that the United States of America is a maritime nation. Some facts will not change: 70 percent of the globe is covered by water; 80 percent of our population lives on or near the coast; and 90 percent of our commerce travels via the oceans. The oil that provides the energy for our modern world flows in tankers via a few strategic sea routes—routes that must be kept open. Our digital planet is linked by submerged fiber optic lines that transmit money and ideas across the planet 24/7. The enduring mission of our Navy to protect the global commons and maintain the stability necessary for prosperity will remain whether we are at peace or war.

Bottom line: Demand for Navy capabilities will remain the same or increase in the future. The Navy Reserve will play a vital role in Navy's Total Force that will deliver these capabilities. As stated in the 2010 Quadrennial Defense Review (QDR) Report, "prevailing in today's wars requires a Reserve Component that can serve in an operational capacity—available, trained, and equipped for predictable routine deployment. Preventing and deterring conflict will likely necessitate the continued use of some elements of the RC—especially those that possess high-demand skill sets—in an operational capacity well into the future." We thank Congress for their demonstrated interest in ensuring DOD has appropriate authority to access the RC in order to provide a more complete Total Force response to the requirements of the future.

Today's Navy Reserve provides both strategic depth and operational capabilities. Depending on the mission, we mirror or complement the AC. We mirror the AC and provide rotational forces for those missions where it makes operational and fiscal sense. We complement the AC by providing unique capabilities in other areas, such as in the Intra-Theater Fleet Logistics Support, Counter-Narcotics Surveillance, and Navy Special Warfare Helicopter Support missions. The correct AC/RC mix varies with each of Navy's wide variety of missions and required capabilities. As new missions emerge and current missions evolve, AC/RC mix solutions are carefully and continually examined. As stated in the QDR, "as the operational environment allows, DOD will seek ways to rebalance its reliance on the RC to ensure the long-term viability of a force that has both strategic and operational capabilities." The Navy Reserve's fiscal year 2012 Operations and Maintenance budget request of \$1.397 billion (including OCO funding) will continue to provide the Joint Force with readiness, innovation, and the agility to respond to any situation.

While we have become more operational, we have also become a smaller and more cost-effective force. Throughout the post-9/11 era, the Navy Reserve has pursued efficiencies while increasing our capabilities. We have eliminated staff and organizational redundancies wherever possible, leveraging the Navy's schools, bases, organizations and information technology infrastructure. We have honed our staff overhead to approximately 3,000 Sailors who serve and enable the remaining 62,000 Sailors of our Navy Reserve to contribute directly to active Navy commands.

The Navy's RC is a force for innovation across all spectrums, but it is especially evident in the realm of Information Technology (IT). IT is critical to everything we do as a Navy, and the Navy Reserve is in the forefront on several IT initiatives, such as retiring our legacy networks and contributing to Navy Cyber Forces. The Navy Reserve is the only Navy echelon to have completely retired all legacy networks and operate exclusively within Navy Marine Corps Intranet (NMCI). As we progress from the NMCI contract to the Next Generation Enterprise Network, Navy Reserve is leading the effort to move to thin client computing and other efficiencies to provide our Sailors with the most secure, robust access available anytime, anywhere.

In 2011, we are exploring new network access methodologies with further testing of the Secure Remote Access Pilot designed to empower the workforce to quickly and securely access their digital resources from any location, using any asset, at any time. The Navy Reserve will also deploy Wi-Fi access to all Navy Reserve facilities, generating cost savings and improving Sailor satisfaction. Also, by the end of fiscal year 2011, all Reserve travel arrangements and reimbursement claims will be han-

dled through the Defense Travel System (DTS). Navy Reserve is the lead reserve and guard activity to migrate to DTS. This migration will eliminate the manual processing of 125,000 travel claims per year, freeing manpower for other customer service requirements and speeding pay to the reserve traveler from an average of 45 days to an average of 5 days.

Navy is developing a data system—tentatively called the Integrated Pay and Personnel System—Navy (IPPS-N)—which will improve pay and service record support to both AC and RC Sailors. Historically, Reserve Readiness Commands, Personnel Support Detachments, and NOSC's have been unable to attain an accurate picture of manpower and personnel data despite exhaustive efforts to reconcile the information found in multiple “authoritative” sources and Reserve Headquarters Support databases. IPPS-N would allow for real-time service record documentation, end strength reporting, and pay-accounting across both the AC and RC. This is not just the design and building of an IT system but rather a complete review of all business processes. The Authoritative Data Environment, a key piece of the IPPS-N that the Navy Reserve is promoting, will be the single source for Sailor manpower and personnel records and provide the base for the complete solution. The end-state of this initiative is improved personnel management across the CoS and better support for service members and leadership.

Ensuring our Reserve Force has the proper equipment to bring our military acumen to bear is one of my ongoing priorities. I thank Congress for the support they provide the Navy Reserve in the many appropriations for the Force. In particular, the Navy and the Joint Forces benefit greatly from Congress' support for recapitalizing Fleet Logistics aircraft by procuring C-40A airframes. The C-40A “Clipper” is a Navy Unique Fleet Essential Airlift (NUFEA) aircraft that provides flexible, time-critical inter- and intra-theater air logistics support to Navy Fleet and Component Commanders as well as providing logistical support for the Navy Fleet Response Plan. The C-40A is a medium lift cargo aircraft, equipped with a cargo door and capable of transporting up to 36,000 pounds of cargo, 121 passengers, or a combination of each. The C-40A is the designated replacement for the Navy Reserve's legacy C-9B and C-20G aircraft. Aircraft recapitalization of the C-9B and C-20G is necessary due to increasing operating and depot costs, decreasing availability, inability to meet future avionics/engine mandates required to operate worldwide, and continued long-term use of the C-20G in the harsh desert environment. The C-40A has significantly increased range, payload, and days of availability compared to the C-9B and C-20G, and has the unique capability of carrying hazardous cargo and passengers simultaneously. Navy C-40A detachments are forward-deployed 12 months per year to provide around-the-clock support to the U.S. Pacific Command, U.S. Central Command, and U.S. European Command Areas of Responsibility. Additionally, these cargo airplanes are an integral first-responder in emerging Humanitarian Assistance/Disaster Relief core mission sets. Currently, 11 C-40A cargo aircraft are operational and one is on contract for an early fiscal year 2012 delivery. Five aircraft are required to complete the minimum, risk-adjusted C-40A procurement plan of 17 aircraft which will complete the divestiture of the C-9Bs and C-20Gs. Congressional support for the Navy Reserve C-40A program has placed the VR fleet closer to realizing a more capable and cost-efficient NUFEEA capability.

Also, the National Guard and Reserve Equipment Appropriation (NGREA) funds equipment for the Navy Reserve. NGREA has allowed us to purchase expeditionary warfighting equipment for the Naval Expeditionary Combat Enterprise in support of operations in Iraq and Afghanistan, and essential training upgrades to the adversary mission. In the past, NGREA Funding has also allowed for the procurement of C-40A cargo aircraft to replace an aging fleet of C-9s, C-12s, and C-20s. The Navy Reserve has a solid record of executing NGREA funding, demonstrating our stewardship of these important taxpayer dollars. I thank you for all the support you have provided to the Navy Reserve through this appropriation in the past.

CONCLUSION

As stated in the 2010 QDR, “the challenges facing the United States today and in the future will require us to employ the National Guard and Reserve force as an operational reserve to fulfill requirements for which they are well suited.” Our Navy Reserve Vision calls for us to be valued for three very important hallmarks of our Force: our “readiness, innovation, and agility to respond to any situation.” This applies operationally and strategically as Navy continuously evaluates and adjusts the AC/RC mix in any given naval capability. Through Navy's adaptable, dynamic, and requirements-driven process, the Navy Reserve has proven it has much to offer “America's Navy—A Global Force for Good.”

On a more personal level, as Chief of Navy Reserve I take to heart each Sailor has sworn to support and defend the Constitution of the United States. My covenant to them is to make each day in the Navy Reserve a day filled with real and meaningful work. My obligation to the Navy and our Nation is to ensure that your Navy Reserve has the right force structure today and in the future. Using our strategic plan as our blueprint for the future, we intend to live up to the promise of our Force Motto: Ready Now. Anytime, Anywhere.

On behalf of the Sailors, civilians, and contract personnel of our Navy Reserve, we thank you for the continued support within Congress and your commitment to the Navy Reserve and Navy's Total Force.

Chairman INOUE. General Moore.

STATEMENT OF MAJOR GENERAL DARRELL L. MOORE, ACTING COMMANDER, MARINE FORCES RESERVE, UNITED STATES MARINE CORPS

General MOORE. Good morning, sir. Thank you very much for this opportunity to be here.

It was a real pleasure for me last week to meet the chairman and vice chairman in their offices, and I enjoyed that time with you.

This morning, sir, thousands of Marine Reserves are on the ground in Afghanistan, serving side-by-side in combat operations along with active component marine units. Our Reserve units are being incorporated into the active deployment rotation cycle for the foreseeable future.

Your Reserve marines work hard to stay ready, and we train vigorously for this fight during our annual training. We truly do serve in every clime and place. For example, besides this summer engaging in training operations in the Pacific and here in the United States at Twenty-Nine Palms and the Mountain Warfare Training Center, I will have marines engaged in theater security cooperation exercises in Morocco, Surinam, Ukraine, Georgia, South Africa, Uganda, Burundi, Senegal, Mauritania, and Belize.

Marine Forces Reserve stands ready to deploy anywhere in the world as we are needed. We are an essential partner to keeping the United States Marine Corps as the Nation's force in readiness.

I look forward to this opportunity to address any questions you or Senator Cochran may have.

Thank you.

Chairman INOUE. Thank you very much, General.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL DARRELL L. MOORE

INTRODUCTION

Chairman Inouye, Ranking Member Cochran, and distinguished Members of the Subcommittee, it is my honor to report to you on the state of the Nation's Marine Corps Reserve and our Marine Reservists, who truly epitomize the Marine Corps' values of honor, courage and commitment. I would also like to take this opportunity to discuss what the operational Reserve means for the defense of our Nation, support to its combatant commanders and commitment to our international partners.

First and foremost, Marine Forces Reserve continues to be an integral element of the Total Force Marine Corps. We share the culture of deployment and expeditionary mindset that has dominated Marine Corps culture, ethos and thinking since our beginning more than two centuries ago. All Marines stand eternally ready to answer this Nation's call to arms. Accordingly, the U.S. Marine Corps Reserve is organized, equipped and trained in the same manner as the Active Component Marine Corps, and consequently, is interchangeable and forever leaning forward to deploy in any clime or place.

Commandant of the Marine Corps Gen. James F. Amos recently stated in his planning guidance that “the Marine Corps is America’s Expeditionary Force in Readiness.” General Amos’ March 1, 2011, report to the House Armed Services Committee on the posture of the United States Marine Corps specifically addressed the Marine Corps Reserve’s operational orientation within the Expeditionary Force in Readiness construct: “The transition in utilization of the Marine Corps Reserve from a strategic to operational Reserve, as affirmed by the Marine Corps’ recent force structure review, expands the Corps’ ability to perform as America’s Expeditionary Force in Readiness.

The Marines themselves, most of whom came to our Nation’s colors after 9/11 and have deployed deep into harms way, prefer this model and do not desire to assume lives as so called “weekend warriors.” This high level of flexibility, responsiveness and élan is only possible by the ever deepening bench of combat tested and uniquely qualified citizen “Soldiers of the Sea.”

I continue to be humbled on a daily basis in my interactions with these magnificent young Americans. Like their active-duty brothers and sisters, they sacrifice so much of their time—and so much of themselves—to protect and serve this great Nation. The way they balance their family responsibilities, civilian lives, and occupations—and still stay Marine—continues to amaze me. They do it with humility, without fanfare, and with a sense of pride and dedication that is consistent with the great sacrifices of Marines of every generation.

AN OPERATIONAL RESERVE

In the previous decade, this great Nation required its Marine Corps Reserve to be continuously engaged in combat operations in Iraq and Afghanistan as well as in regional security cooperation and crisis prevention activities in support of the various geographical combatant commanders. This operational tempo has built a momentum among our warfighters and a depth of experience throughout the ranks that is unprecedented in generations of Marine Corps Reservists.

In addition to our service in and around combat zones, your Marine Corps Reserve’s response to our Nation’s needs echoes the February 2010 Quadrennial Defense Review, which called for a Reserve Component that can serve in an operational capacity for predictable routine deployment. Accordingly, today’s Marine Corps Reserve fully embodies the operational Reserve concept and has shaped itself to continue in this operational manner for the foreseeable future.

Understanding that we are fighting a transnational enemy and that partner nations will continue to seek our training and mentoring capabilities, I expect our Marine Reservists to be in great demand during the coming years in a sustained manner. I am pleased to report that we are prepared to provide that persistent capacity. The nature of the fight in Afghanistan, for instance, is particularly suited to our Marine Reservists. It is a thinking man’s fight that requires solutions at the grass-roots level where our Marines operate best, which is among the population as evidenced by our combat prowess and “Small Wars” mindset. To be sure, our recent successes in Iraq were hastened by the types and quality of individuals we have in our ranks, who often utilized civilian skills in ways not necessarily anticipated, but ultimately proving pivotal to the success in Al Anbar Province. I expect no difference with our Marine Reservists in Afghanistan. That maturity, creativity and confidence is what an operational Reserve brings to the fight. In fact, your Marine Corps Reserve is more highly trained, capable, and battle-tested than at any time since the Korean War. Without reservation, your Marine Corps Reserve continues to be an integral part of the Total Force Marine Corps, and its strength lies in the fact that Marine Corps Reservists blend seamlessly into the gaining force regardless of whether they deploy as individual augmentments, members of detachments, or operational units.

As of January 31, 2011, more than 58,000 Reserve Marines have mobilized in support of Overseas Contingency Operations, previously the Global War on Terrorism, since September 11, 2001. The vast majority of these Marines deployed to the U.S. Central Command’s area of responsibility, which includes Iraq, Afghanistan, and previously, the Horn of Africa. One-hundred percent of Marine Corps Reserve units at the battalion and squadron level have either been activated in their entirety or activated task-organized detachments. Thousands of other Marine Reservists deployed in support of combatant commanders’ Theater Security Cooperation initiatives to South America, Eastern Europe, Asia, Africa, Australia, and various Pacific island nations. This year will be no different as Marine Reservists are scheduled to support planned exercises in Norway, Peru, Belize, Uganda, Estonia and Morocco, and again in various nations in Asia and the Pacific islands.

Our Force Generation Model is one of the important planning mechanisms for an operational Reserve. The Model, which was developed and implemented during October 2006, continues to provide long-term and essential predictability of future activations and deployments for our Reservists. The Model provides my Marines, their families, and their employers, the capability to plan their lives 5 or more years out. It empowers them to strike the critical balance between family, civilian career, and service to the Nation, while allowing employers the time to manage the temporary loss of valued employees. The Force Generation Model also assists Service and joint force planners in maintaining a consistent and predictable flow of fully capable Marine Corps Reserve units. Internal to the Marine Corps, this flow of fully trained and capable Reserve units has proven essential in enabling Active Component combat units to start realizing an approximate 1:2 deployment-to-dwell, which was established by the Secretary of Defense.

The Force Generation Model is a relatively simple management tool based on 1-year activations, to 4-plus years in a non-activated status, which makes continued programmed utilization of the Marine Corps Reserve sustainable at 1:5 deployment-to-dwell over the long term. In fact, the Marine Corps Reserve can potentially source 3,000 Marines per rotation and 6,000 Marines annually at a 1:5 deployment-to-dwell as programmed in the Force Generation Model. Furthermore, projecting predictable activation dates, mission assignments and geographical destination years in advance enables my units to orient training on core mission requirements early in the dwell period, then transition the training focus to specific mission tasks as soon as the unit is 12–18 months from activation.

Marine Forces Reserve operations continued on a high operational tempo as we supported all of the geographical combatant commanders across the globe. Our Force units and major subordinate commands—the 4th Marine Division, 4th Marine Aircraft Wing, and 4th Marine Logistics Group—were called upon to provide 1,920 Marines to support Operation Enduring Freedom and are in the final stages of preparing another 3,147 Marines to deploy this fiscal year. Marine Forces Reserve also deployed Marines to a plethora of theater specific exercises and cooperative security efforts, which were designed to increase interoperability with our Partnership For Peace NATO allies as well as for developing Theater Security Cooperatives in countries such as Morocco, Mozambique, Romania, Georgia, the Black Sea region and partners throughout the Pacific Rim.

Marine Forces Reserve's operational focus will continue to directly support the geographical combatant commanders this fiscal year in various roles that includes multiple bi-lateral exercises, such as Western Accord in Senegal, Sea Breeze in the Ukraine, African Lion in Morocco, and Agile Spirit, which is an ongoing effort with the Georgian Army in and around Tbilisi. The way ahead for Marine Forces Reserve includes building partner capacity in the Black Sea region on behalf of the geographical combatant commander by providing Marine Reservists to conduct operations of various sizes and complexities throughout the region to assure stability and sustainability in this high priority geopolitical region.

For the third year in a row, Marine Forces Reserve will sponsor exercise Javelin Thrust stateside this July, which will focus on Marine Air-Ground Task Force core competency training. Javelin Thrust 2011 will be conducted aboard installations throughout the Western United States with both virtual and real world aspects to the exercise. The scenario of this year's event is tailored to the current operating environment. A criterion for participating units was based on their future deployment schedule according to the Force Generation Model. Javelin Thrust will provide all elements of the Marine Air-Ground Task Force with the opportunity to complete some of the training necessary to expeditiously forward-deploy competently in any operational environment. Additionally, individuals serving on the exercise's Marine Air-Ground Task Force staffs will receive training that will enable them to competently perform as individual augmentments on a Marine Air-Ground Task Force staff or joint staff overseas. In addition to involving all of Marine Forces Reserve's Force units and three major subordinate commands, this year's exercise will include an integrated Active Component and Reserve Component headquarters. This aspect of the exercise is aimed at validating the Total Force approach with an emphasis on interoperability of Active Component and Reserve Component Marine forces.

In addition to operational requirements, Marine Forces Reserve personnel and units conduct community relations events nationwide. Due to the command's unique geographical dispersion, Marine Forces Reserve personnel and units are advantageously positioned to interact with the American public, telling the Marine Corps story to our fellow citizens who typically have little or no contact with the Marine Corps.

During the previous year, Marine Forces Reserve supported more than 10 significant community relations events, which included among others: Marine Week Bos-

ton, Armed Forces Bowl in the Dallas/Fort Worth area, New York City Fleet Week, Baltimore Fleet Week, Public Service Recognition Week and Joint Service Open House in the District of Columbia area, and the commissioning of the USS *New York*. Marine Forces Reserve also supported more than 50 community relations events of a lesser scale that included various air shows, memorials and assorted flyovers across the Nation. Additionally, more than 200 community events of a routine nature were supported across the Nation, such as color guard details, vehicle and weapon static displays, and guest speakers.

The significant community relations events required a footprint of Marine Forces Reserve assets that mirrored an operational Marine Air-Ground Task Force in structure. Of note is the Marine Week concept, which was held in Boston during fiscal year 2010. The Marine Week concept is a strategic communication initiative created to articulate to the American public what the U.S. Marine Corps stands for, what we do, who we are and what the Corps aspires to accomplish in the future. This successful week-long event encompassed a series of more than 60 smaller events, which included formal ceremonies, various static displays of aircraft, vehicles and weapons, and other outreach events such as sports demonstrations and concerts. Marine Forces Reserve was the lead element for Marine Week Boston, with the 24th Marine Regiment sourcing the Marine Air-Ground Task Force command element and the subordinate units. Marine Forces Reserve will take the lead once again for Marine Week St. Louis this June and is likely to form the command element on behalf of the Marine Corps for all Marine Weeks hereafter due to our national footprint, deep connection with local communities, and integration of Active and Reserve Component personnel at our Reserve sites across this great Nation.

PERSONNEL

Marine Forces Reserve consists of the Selected Marine Corps Reserve and the Individual Ready Reserve, which form the Ready Reserve. The Selected Marine Corps Reserve is comprised of Marines in Reserve units, those in the Active Reserve program, Individual Mobilization Augmentees, and those in initial training. These categories of Marines form the inventory of the Selected Marine Corps Reserve's authorized end strength of 39,600.

We continue to enjoy strong accessions and an increase in retention over the historical norm, which greatly enhanced our ability to improve our end strength during fiscal year 2010. Our bonus and incentive programs for Reserves were essential tools in achieving more than 99 percent of our authorized end strength. Continued use of these programs will remain critical to both meeting our overall end strength this fiscal year and to continue shaping our Force. Our authorized end strength of 39,600 is appropriate for providing us with the Marines we require to support the Total Force while achieving the Commandant's goal of a 1:5 deployment-to-dwell for Selected Marine Corps Reserve units.

I am pleased to report that the Marine Corps/Navy Reserve Team is as strong as ever. In the past year the Navy made sure that Marine Forces Reserve units were fully manned and supported with Program 9—U.S. Navy personnel in support of Marine Forces—and Health Service Augmentation Program personnel during all deployment phases. Five hundred thirty-six U.S. Navy personnel were sourced to staff Marine Forces Reserve units that deployed to Iraq and Afghanistan, as well as numerous joint and/or combined exercises. These individuals focused almost entirely on providing medical, dental and religious services. The Navy Mobilization Office works with my headquarters, as well as with my major subordinate commands, to source 100 percent of all requirements.

Manning to authorized end strength requires an institutional approach. The Marine Corps is unique in that all recruiting efforts fall under the direction of the commanding general, Marine Corps Recruiting Command. This approach provides tremendous flexibility and unity of command in annually achieving Total Force recruiting objectives. Like the Active Component Marine Corps, Marine Corps Reserve units rely primarily upon a first-term enlisted force. Marine Corps Recruiting Command achieved 100 percent of its recruiting goal for non-prior service recruiting (5,868) and prior service recruiting (4,209) for fiscal year 2010. As of February 28, 2011, 2,576 non-prior service and 1,340 enlisted prior service Marines have been accessed, reflecting 45.86 percent of the annual enlisted recruiting mission for the Selected Marine Corps Reserve. We fully expect to meet our Selected Marine Corps Reserve recruiting goals again this year.

Officer recruiting remains our most challenging area. Historically, the Active Component Marine Corps has been the exclusive source of senior lieutenants and captains for the Marine Corps Reserve, and it remains a source of strength in meeting our company grade requirements. Through our transition assistance and edu-

cational outreach programs, we continue to ensure that each transitioning Active Component Marine is educated on continued service opportunities in the Marine Corps Reserve. To compliment the Active-to-Reserve Component company grade accessions, we continue to offer three recently implemented Reserve commissioning initiatives that focus exclusively on the most crucial challenge of manning the Marine Corps Reserve with quality company grade officers. These Reserve commissioning initiatives are the Reserve Enlisted Commissioning Program (RECP), which was expanded to qualified active duty enlisted Marines in addition to qualified Reserve enlisted Marines; Meritorious Commissioning Program—Reserve (MCP—R), which is open to individuals of the Active and Reserve Components who have earned an Associate's Degree or equivalent in semester hours; and Officer Candidate Course—Reserve (OCC—R). Since 2004, these three programs have produced a total of 330 lieutenants for the Marine Corps Reserve. The OCC—R program has been the most successful of the three Reserve commissioning initiatives, producing 296 officers. It focuses on ground billets with an emphasis on ground combat and combat service support within specific Reserve units that are scheduled for mobilization. The priority to man units with these officers is once again tied to the Force Generation Model. All together, these programs, combined with our prior service recruiting efforts, are projected to provide at least 90 percent manning of critical combat arms and engineer company grade officer billets by September 30, 2015.

Regarding retention, all commanders and senior enlisted leaders across Marine Forces Reserve are tasked to retain quality Marines through example, mentoring, and information and retention programs. This takes place across the Marine experience, not just in the final days of a Marine's contract. Those approaching the end of their current contracts—Active or Reserve Component—receive more focused counseling on the tangible and intangible aspects of remaining associated with, or joining, the Selected Marine Corps Reserve.

Your continued support regarding enlistment, affiliation, and re-enlistment bonuses along with other initiatives greatly influences my ability to gain and retain the very best. I greatly appreciate the continuance of all of the many programs that help us recruit and retain the best young men and women this nation produces.

EQUIPMENT

Established by the Commandant in his planning guidance, the Marine Corps' number one focus is to provide the best trained and best equipped Marine units to Afghanistan. Accordingly, Marine Forces Reserve has two primary equipping priorities—equipping individuals who are preparing to deploy and sufficiently equipping units to conduct home station training. I directed my staff to dedicate its efforts to ensure that every member of Marine Forces Reserve deploys fully equipped with the most current authorized Individual Combat Equipment and Personal Protective Equipment. Accordingly, we continue to equip individuals and units during their dwell periods with the best available equipment tailored specifically to their next mission in accordance with the Force Generation Model.

Whereas individuals receive 100 percent of the necessary warfighting equipment, Marine Forces Reserve units are equipped to a level identified as a Training Allowance. The Training Allowance is the amount of equipment required by each unit to most effectively conduct home station training. My guidance to my commanders is to establish their Training Allowance to enable them to maintain the highest training readiness as defined by their mission requirements. As a contributing component of the Total Force Marine Corps, Marine Corps Reserve units are equipped with the same equipment that is utilized by the Active Component Marine Corps, but in quantities tailored to fit Reserve Training Center capabilities. To be sure, it is imperative that our units train with the same equipment they will utilize while deployed. I am pleased to report that as a whole, we are adequately equipped to effectively conduct home station and Force-level training.

Although we have been engaged in combat operations for almost a decade, our equipment readiness rates remain above 97 percent. To maintain this level of readiness, we have relied heavily on supplemental funding in the Overseas Contingency Operational funding. Your continued support in this category has been critical in maintaining our current level of equipment readiness for combat operations and resultant contribution to Marine Corps combat capability.

Several resources and programs combine to form the basis to the Marine Corps Reserve approach to maintenance. Routine preventive and corrective maintenance are performed locally by operator and organic maintenance personnel. This traditional approach to ground equipment maintenance was expanded to include an increasing reliance on highly effective contracted services and depot-level capabilities, which were provided by the Marine Corps Logistics Command. Over the past year,

we experienced significant success with the Marine Corps Logistics Command's "Mobile Maintenance Teams" that have provided preventive and corrective maintenance support to all 183 Marine Corps Reserve sites across the United States. This maintenance augmentation effort has directly improved our equipment readiness as well as provided valuable "hands on" training to our organic equipment maintainers. Additionally, the Marine Corps Logistics Command's "Enterprise Lifecycle Maintenance Program" provides for the rebuilding and modifying of an array of principal end items, such as the Light Armored Vehicle, the Amphibious Assault Vehicle and our entire motor transport fleet. Finally, we continue to reap significant benefits from the Marine Corps Corrosion Prevention and Control Program. Dollar for dollar, this program has proven highly effective in the abatement and prevention of corrosion throughout the Force. Collectively, these initiatives and the hard work and dedication of our Marines and civilian Marines across Marine Forces Reserve sustain our ground equipment readiness rates at or above 97 percent.

National Guard and Reserve Equipment Appropriations have been an important element of the Total Force Marine Corps ability to modernize the Reserve Component and have ensured that there is maximum compatibility between the Reserve and Active Components. During fiscal years 2008, 2009 and 2010, Marine Forces Reserve received \$45 million, \$65 million, and \$45 million respectively through National Guard and Reserve Equipment Appropriations. We used these funds to augment regular procurement dollars and accelerate the fielding of various programs that touch every element of the Marine Air-Ground Task Force.

With the fiscal year 2008 National Guard and Reserve Equipment Appropriation, we applied funding toward upgrades of aircraft which included the KC-130T, the F/A-18 and the UH-1. These upgrades enabled us to maintain compatibility with airframes being employed by the Active Component Marine Corps. We also purchased an operation support airlift UC-12 aircraft for our VMR Detachment at Naval Air Station Joint Reserve Base New Orleans. Funds were also used for Tactical Remote Sensor Suites and the Rover III Forward Air Control communications capability. Both of the previous items added to our ability to enhance command and control. Last, we invested in four modeling and simulation programs that increased the effectiveness of our Reserve training while reducing our training costs. These included two mobile HMMWV Egress Assistance Trainers, seven Medium Tactical Vehicle Replacement Operator Trainers, one Virtual Combat Convoy Training System, and 135 Digital-Virtual Training Environment suites.

During fiscal year 2009, the Congress initially appropriated \$40 million in National Guard and Reserve Equipment Appropriations. An additional \$25 million was subsequently provided in that year's supplemental. These funds provided Marine Forces Reserve with additional aircraft upgrades for the UH-1 and improved survivability of our UC-35 aircraft, additional command and control items with purchases of additional Tactical Remote Sensor Suites, Digital Terrain Analysis Mapping Systems, a Counter Intelligent/Human Intelligence Equipment Package, and various tactical laptop computers; supporting arms upgrades for our Digital-Virtual Training Environment program; 43 Logistics Vehicle System Replacements; and 22 upgraded Light Armored Vehicles, which are a critical component to the Marine Air-Ground Task Force's combat power and mobility.

With the \$45 million in fiscal year 2010 National Guard and Reserve Equipment Appropriation, we increased our investment in Light Armored Vehicle purchases by ordering nine additional 25mm canon variants and five command and control variants. We also purchased an Air Traffic Control simulation package, which will greatly improve the training capability for our Air Traffic Control Marines.

In our fiscal year 2012 National Guard and Reserve Equipment Report published in February, we identified four modernization priorities that could be funded with the fiscal year 2011 National Guard and Reserve Equipment Appropriations you have already provided. The first priority is to procure the remaining Light Armored Vehicles for our 4th Light Armored Reconnaissance Battalion. At the time the report was published, we had 42 vehicles which still needed to be procured at a total cost of \$109 million. Since that report was published, the Marine Corps has taken advantage of its repair depots' ability to convert recently returned A1 variant Light Armored Vehicles into A2 variants. This reduces our anticipated gap to 27 vehicles at an estimated cost of \$68 million. Using a portion of the \$70 million provided in the 2011 Department of Defense and Full-Year and Continuing Appropriations Act, we intend to procure 10 additional Light Armored Vehicle Logistics variants, which will further close out our Light Armored Vehicles gap.

In the fiscal year 2012 National Guard and Reserve Equipment Report, we also discussed our priority to accelerate fielding of our KC-130J fleet. The KC-130J has already been fielded to the Active Component Marine Corps while the KC-130T will remain in service in the Reserve Component from now until beyond the year 2020.

The first Reserve Component KC-130J is not scheduled for delivery until 2014. These two aircraft are very different airframes, each requiring completely different logistical, maintenance, and aircrew requirements. The longer we maintain both airframes, the longer we have to invest in twice the logistics, twice the maintenance training, and twice the aircrew training. The total cost to purchase all 28 Reserve Component KC130J aircraft is more than \$2 billion. Currently, only 9 of the 28 airframes are funded within the Future Years Defense Plan.

The third priority outlined in the fiscal year 2012 National Guard and Reserve Equipment Report is the procurement of a KC-130J Weapons System Trainer for the Reserve Component at a cost of approximately \$25 million. As we transition models, there will be a need for this simulator in order to maintain combat qualifications. Without one in the Reserve Component, our aircrews will be competing for time in active component simulators, which are already over-scheduled.

The fourth priority outlined in the fiscal year 2012 National Guard and Reserve Equipment Report is the modernization of our aging Logistics Vehicle System fleet. In addition to the 43 Logistics Vehicle System replacements purchased with the fiscal year 2009 National Guard and Reserve Equipment Appropriation, we requested to purchase an additional 108 vehicles using a significant portion of the \$70 million provided in this year's appropriation Act. This not only provides for an additional 58 cargo variants, but also provides 37 tractor variants and 13 wrecker variants. The tractor and wrecker variants are just reaching full rate production and this investment continues to enhance our compatibility with the Active Component.

TRAINING

Language and culture training is available to all Marine Reservists and is delivered via a variety of techniques, from live instruction to portable media to web-based tutorials and applications. Our Afghanistan culture training leverages academia, utilizes Afghan-American expertise, and includes web-host detailed and tailored courses of instruction. These courses can be accessed by any computer and have the added functionality of being iPod-compatible to download for transportability and accessibility by our Marines. We are also beta-testing our first Pashtu language course for our next infantry battalion deploying to South Asia. This is an 18-week course that is a webinar-linked program, which allows geographically separated Marines and instructors to "meet" in a virtual classroom that consists of using course-provided computing systems. It's synonymous with the program Special Operations Command has been running for a number of years. This course is directed to provide Pashtu language capability down to the squad level with participants at the rank of lieutenant, sergeant, corporal and below. Additionally, my Marines also participate in introductory Pashtu immersion training, which is conducted in 5-week blocks of instruction and is supported by the Partner Language Training Center Europe (PLTCE) Garmisch, Germany. Last, given that our Marines deploy throughout the globe, we access a variety of other sources of language and cultural training such as the Marine Corps' Center for Advanced Operational Culture and Language, the Defense Language Institute and Regional Language Centers. Your continued support for these enhanced language and culture learning opportunities is crucial to our competence in the current fight in Afghanistan.

One of the most exciting areas where we continue to transform the depth and scope of our training remains the cutting-edge arena of Training Simulation. Marine Forces Reserve continues to field several immersive complex digital video-based training systems, complete with the sights, sounds and chaos of today's battlefield environments. These systems are particularly important, considering the limited training time and facilities available to our commanders. Last year, we completed the fielding and upgrading of the Indoor Simulated Marksmanship Trainer-XP. These simulators make it possible for the Marines to "employ" a variety of infantry weapons—pistol through heavy machinegun—in rifle squad scenarios.

Another simulator, the Virtual Combat Convoy Trainer-Reconfigurable Vehicle System, provides invaluable pre-deployment training for the drivers of all makes and models of tactical vehicles. This trainer provides various conditions of terrain, road, weather, visibility and vehicle condition as well as various combat scenarios, which includes routine movement, ambush, and IED, among others. The Virtual Combat Convoy Trainer-Reconfigurable Vehicle System is a mobile, trailer-configured platform that utilizes a HMMWV mock-up, small arms, crew-served weapons, 360-degree visual display with after-action review/instant replay capability. We are now preparing to accept the fourth generation of this system and have doubled student throughput.

Another training simulation technology that has been fielded is the Deployable Virtual Training Environment, which provides small-unit echelons with the oppor-

tunity to continuously review and rehearse command and control procedures and battlefield concepts in a virtual environment. The Deployable Virtual Training Environment provides individual, fire team, squad and platoon-level training associated with patrolling, ambushes and convoy operations. Additional features of the Deployable Virtual Training Environment include supporting arms upgrades for virtual combined arms indirect fire and forward air control training, combat engineer training, small-unit tactics training, tactical foreign language training and event-driven, ethics-based, decisionmaking training.

Finally, The HMMWV Egress Assistance Trainer and the Mine-Resistant Armor Protected (MRAP) Egress Trainer are mechanical simulation trainers that familiarize Marines with the techniques and procedures to egress a HMMWV or a MRAP vehicle that has overturned. Both Trainers are training tools that provide Marines with the opportunity to experience vehicle roll-over conditions to enable them to rehearse actions and physically execute the steps necessary to survive a vehicle roll-over. These systems support the U.S. Central Command requirement for all Marines to complete vehicle roll-over training prior to deploying to designated combat zones.

It is important to recognize the key role Congress has played in the fielding of these advanced training systems, all of which have been rapidly acquired and fielded with supplemental and National Guard and Reserve Equipment Appropriations funding.

FACILITIES

Marine Forces Reserve is comprised of 183 sites in 48 States, the District of Columbia, and Puerto Rico. These facilities consist of 32 owned sites, 151 tenant locations, three family housing sites, and a Marine barracks. Most of our Reserve sites are openly located within civilian communities, which require close partnering with State and local entities nationwide. Additionally, the condition and appearance of our facilities informs the American people's perception of the Marine Corps as well as the Armed Forces.

Department of Defense policy and the use of standardized models for Marine Forces Reserve Facilities Sustainment, Restoration, and Modernization (FSRM) dollars have greatly improved funding profiles for our Reserve facilities over the last several years. We are experiencing some of the best levels of facility readiness due to increased funding in the last 3 years, which was complemented by an additional \$39.9 million in stimulus dollars from the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA funding was applied to 25 projects currently underway across 11 States that are providing much needed repairs, renovations or enhancing energy efficiency. Other projects funded by ARRA dollars include upgrades to meet antiterrorism force protection standards and compliance with American with Disability Act access.

The Base Realignment and Closure 2005 and our normal Military Construction Naval Reserve (MCNR) Program enabled us to repair and upgrade sites across the country with projects continuing to completion in 2011, including replacement of more than 28 of our 183 Reserve centers in the next 2 years. This represents the largest movement and upgrade in memory for the Marine Corps Reserve.

Marine Forces Reserve's research and investment for the last 2 years in energy efficiency, sustainability, and renewable energy is coming to fruition this fiscal year. Every new FSRM renovation project or Military construction (Milcon) is targeted for energy efficiency and sustainability aspects in accordance with policy and Leadership in Energy and Environmental Design (LEED) guidelines. We recently commissioned our first LEED Silver building at Camp Lejeune—the first in the Marine Corps—and are anticipating award this year of our first LEED Silver rehabilitation project in Baltimore, Maryland, which is a potential first for the Marine Corps as well. All of our MCNR projects since fiscal year 2009 are on track to comply with directives to achieve LEED silver or higher as funding profiles permit.

We are presently conducting energy assessments of all our 32-owned sites along with preparation of smart metering technology for each to enhance conservation and management. The Marine Forces Reserve approach combines efficiency, conservation, and renewable aspects to achieve optimal return on investment. We completed six solar energy and lighting projects at Reserve centers in California and have one solar project slated for completion in Louisiana as well. Our six wind turbine projects continue to proceed with suitability and environmental evaluations. Initial findings indicate that some projects may come on line during fiscal year 2012 with an anticipated payback of as little as 8 years. Our investment and implementation of these technologies provides energy security, efficiency, and cost avoidance for our geographically dispersed sites.

Marine Forces Reserve Facilities Sustainment, Restoration, and Modernization (FSRM) program funding levels continue to address immediate maintenance requirements and longer-term improvements to our older facilities. Sustainment funding has allowed us to maintain our current level of facility readiness without further facility degradation. Your continued support for both the MCNR program and a strong FSRM program are essential to addressing the aging infrastructure of the Marine Corps Reserve.

The MCNR program for exclusive Marine Corps Reserve construction has been effectively prioritized by the Marine Corps within the FYDP to optimize our efforts in addressing the estimated \$132 million in needed construction projects for our aging infrastructure. Increases in our baseline funding over the last 6 years have helped Marine Forces Reserve improve our overall facility readiness. More than 27 percent of the Reserve centers our Marines train in are more than 30 years old and of these, 55 percent are more than 50 years old. Past authorizations have improved the status of facilities in the 30 to 50 year range and continued investment will allow for further modernization. The \$35 million in additional MCNR funding in fiscal year 2010 enabled Marine Forces Reserve to commence several additional projects that further improved our readiness in both training and improvement of facilities infrastructure at greater rates than normal.

The Base Realignment and Closure 2005 continues to move forward and the Marine Corps Reserve will relocate units to 10 consolidated Reserve centers this fiscal year. Marine Forces Reserve is executing 25 of the Marines Corps' 47 Base Realignment and Closure-directed actions. Of these 25 Base Realignment and Closure actions, 21 are linked to Army and Navy military construction projects. Our Base Realignment and Closure plans are tightly linked to those of other Services and government agencies as we develop cooperative agreements to share Reserve centers and coexist in emergent joint bases. All remaining Marine Corps Reserve Base Realignment and Closure closures are on track for successful completion within the directed timelines.

Of special note is the movement of my Headquarters—Marine Forces Reserve—and consolidation of our major subordinate commands in New Orleans, Louisiana. This unique Base Realignment and Closure project, which integrated State, local and Federal efforts, is now well underway for the new headquarters compound and is tracking for an early completion. The State of Louisiana is providing construction dollars for the new headquarters facility, which saves the Federal Government more than \$130 million. The Department of the Navy is providing the interior finishings, information technology, and security infrastructure in accordance with the lease agreement. This building will incorporate multiple energy and environmentally friendly processes to meet Leadership in Energy and Environmental Design certifiable standards. We were assisted by the Department of Energy's Federal Energy Management Program to identify future projects, which will further maximize the sustainability and energy efficiencies of the buildings and compound. Upon completion and certification, this building and its surrounding acreage will become the newest Marine Corps Installation: Marine Corps Support Facility, New Orleans.

HEALTH SERVICES AND BEHAVIORAL HEALTH

Our Marines, Sailors and their families remain our highest priority. Therefore, we remain keenly attentive to their health and resiliency. Taking care of them is a sacred trust and a continuous process. During dwell, our health services priority is to attain and maintain the Department of Defense goal of 75 percent Fully Medically Ready. In fiscal year 2010, Marine Forces Reserve individual medical and dental readiness rates were 70 percent and 78 percent respectively. This reflects a continued improvement trend in overall individual medical readiness for the Force.

Healthcare for the Reserve Component integrates many diverse programs across the spectrum of the deployment cycle—pre-mobilization, deployment and post-deployment—and is categorized into two areas: unit medical readiness and behavioral health. Unit medical readiness programs include the Reserve Health Readiness Program and TRICARE Reserve Select. Behavioral health programs include the Post Deployment Health Reassessment and the Psychological Health Outreach Program.

The Reserve Health Readiness Program is the cornerstone for individual medical and dental readiness. This program funds contracted medical and dental specialists to provide healthcare services to units not supported by a military treatment facility. During fiscal year 2010, the Reserve Health Readiness Program performed 10,947 Periodic Health Assessments; 2,803 Post-Deployment Health Reassessments; and 7,821 Dental Procedures. TRICARE Reserve Select, a premium-based healthcare plan, is also available to our Marines, Sailors and their families.

Behavioral health has increasingly become an integral part of medical readiness over the past few years. Navy medicine continues to address this complex issue through various independent contracted programs, such as the Post Deployment Health Reassessment and the Psychological Health Outreach Program. The Post Deployment Health Reassessment identifies health issues with specific emphasis on mental health concerns, which may have emerged since returning from deployment. The Psychological Health Outreach Program addresses post-deployment behavioral health concerns through a referral and tracking process. The above programs have proven effective in the overall management of identifying those Marines needing behavioral health assistance and have provided an avenue to those Marines seeking behavioral health assistance.

The Commandant has also directed that we more fully integrate behavioral health services to help reduce redundancies and ultimately improve the overall quality and access to care. The Marine Corps is taking action to develop an integrated service delivery that provides innovative, evidence-based practices to commanders, Marines, and their families. This service delivery will be woven into the larger support network of our command structures and health and human services across the Marine Corps to better build resilience and strengthen Marines and families. This efficiency initiative successfully integrates our Combat and Operational Stress Control, Suicide Prevention, Sexual Assault Prevention and response, Substance Abuse Prevention and Family Advocacy Programs and will be instrumental in synchronizing our prevention efforts.

Combat and Operational Stress Control training for leaders is being incorporated throughout Marine Forces Reserve at all levels. All units deploying more than 90 days receive pre-deployment training for Marines, Sailors, leaders, and families.

Currently, we are implementing the Operational Stress Control and Readiness (OSCAR) training. This training provides knowledge, skills, attitudes, and tools required to assist commanders to prevent, identify, and manage combat and operational stress problems as early as possible. Your continued support enables us to continue to take care of our Marines, Sailors and their families.

QUALITY OF LIFE

My commitment to our Marines and Sailors in harm's way extends to their families at home. As part of Marine Corps reforms to enhance family support, we continue to place full-time Family Readiness Officer (FROs), which will be staffed entirely by civilians, at the battalion/squadron level and above to support the Commandant's family readiness mission. As you might imagine, an organization that is spread across the Nation and overseas has unique challenges, but communication technologies, improved procedures, and processes have effectively integrated our efforts to more effectively inform and empower family members—spouses, children and parents—who often have little routine contact with the Marine Corps and live far from large military support facilities. The installation of FROs at the battalions and squadrons bridges many gaps and overcomes many challenges that are unique to the Reserve Component. To be sure, the placement of Family Readiness Officers is a low cost solution that provides a significant return on investment.

We fully recognize the strategic role our families have in personal and operational readiness, particularly with mobilization preparedness. We prepare our families for day-to-day military life and the deployment cycle by providing education at unit family days, pre-deployment briefs, return and reunion briefs, and post-deployment briefs. To better prepare our Marines and their families for activation, Marine Forces Reserve has fully implemented the Yellow Ribbon Reintegration Program, much of which we've had in place for quite some time. We are particularly supportive of Military OneSource, which provides our Reservists and their families with an around-the-clock information and referral service via toll-free telephone and Internet access on subjects such as parenting, childcare, education, finances, legal issues, deployment, crisis support, and relocation.

The Marine Forces Reserve Lifelong Learning Program continues to provide educational information to service members, families, retirees, and civilian employees. More than 1,400 Marine Forces Reserve personnel (Active and Reserve) enjoyed the benefit of Tuition Assistance, utilizing more than \$3.6 million that funded more than 4,600 courses during fiscal year 2010. The Marine Corps' partnership with the Boys and Girls Clubs of America and the National Association for Child Care Resources and Referral Agencies continues to provide a great resource for service members and their families in accessing affordable child care before, during, and after a deployment in support of overseas contingency operations. We also partnered with the Early Head Start National Resource Center Zero to Three to expand serv-

ices for family members of our Reservists who reside in isolated and geographically separated areas.

The Chaplain Corps—Active and Reserve Component chaplains—is fully engaged to support my commitment to ensure care is provided for our Marines, Sailors, and their families. Working alongside FROs, they conduct informational briefs and provide counsel during all phases of the deployment cycle. One Religious Ministries Team works with the FRO through video-teleconferencing to provide pre-deployment, deployment and post deployment briefs for the entire Individual Ready Reserve population. The chaplains have also worked directly with the Casualty Assistance Calls Officers, providing them with immediate support, counsel and assistance during the time of deep emotional crisis.

SUPPORTING OUR WOUNDED, ILL, AND INJURED MARINES AND THEIR FAMILIES

The non-medical needs of our wounded, ill, and injured (WII) Marines and their families can be extensive and vary in type and intensity during the phases of recovery. There is not an “one size fits all” approach to WII care. The Marine Corps’ Wounded Warrior Regiment (WWR) makes a concerted effort to ensure that WII Marine Reservists receive exemplary support as they transition through the recovery process. The WWR holds high levels of subject matter expertise with regard to the unique challenges faced by Marine Reservists and has set up component of care accordingly. For example, the WWR has dedicated staff—the Reserve Medical Entitlements Determinations Section—to specifically maintain oversight of all cases of Reservists who require medical care beyond their contract period for service-connected ailments. Additionally, the WWR has Reserve-specific recovery care Coordinators who provide one-on-one transition support and resource identification required to support WII Reservists and families who are often living in remote and isolated locations away from the support resident on bases and stations. Another significant support component of the WWR that makes a positive difference in the lives of our WII Reservists is the Sergeant Merlin German Wounded Warrior Call Center. This 24/7 Call Center provides support on numerous issues to include: referral for psychological health matters; pay and entitlement questions; financial assistance resources; awards; and information on benevolent organizations. The WWR also uses its Call Center to conduct important outreach calls to various populations to check on their well-being and update them on changes in benefits and entitlements.

CASUALTY ASSISTANCE AND MILITARY FUNERAL HONORS

Casualty assistance remains a significant responsibility of Active Component Marines who are assigned to our Inspector—Instructor and Reserve Site Support staffs. Continued operational efforts in Afghanistan and Iraq have required that these Marines remain ready at all times to support the families of our fallen Marines in combat abroad, or in unforeseen circumstances at home. By virtue of our geographic dispersion, Marine Forces Reserve personnel are best positioned to accomplish the vast majority of all Marine Corps casualty assistance calls and are trained to provide assistance to the families. Historically, my personnel have been involved in approximately 76 percent of all Marine Corps casualty notifications and follow-on assistance calls to the next of kin. There is no duty to our families that we treat with more importance, and the responsibilities of our Casualty Assistance Calls Officers continue well beyond notification. We ensure that our Casualty Assistance Calls Officers are adequately trained, equipped, and supported by all levels of command. Once a Casualty Assistance Calls Officer is designated, he or she assists the family members from planning the return of remains and the final rest of their Marine to advice and counsel regarding benefits and entitlements. In many cases, our Casualty Assistance Calls Officers provide a permanent bridge between the Marine Corps and the family while providing assistance during the grieving process. The Casualty Assistance Calls Officer is the family’s central point of contact and support, and he or she serves as a representative or liaison to the funeral home, Government agencies, or any other agency that may become involved.

Additionally, Marine Forces Reserve units and personnel provide significant support for military funeral honors for our veterans. The active duty Reserve Site Support staff, with augmentation from their Reserve Marines, performed more than 14,550 military funeral honors during calendar year 2010, which was 90 percent of the Marine Corps total. We anticipate providing funeral honors to more than 17,500 Marine veterans in calendar year 2011. Specific authorizations to fund Reserve Marines in the performance of military funeral honors have greatly assisted us at sites such as Bridgeton, Missouri, where more than 10 funerals are consistently sup-

ported each week. As with Casualty Assistance, we place enormous emphasis on providing timely and professionally executed military funeral honors support.

CONCLUSION

Your Marine Corps Reserve continues to be operational in mindset and action and is fully committed to train and execute the Commandant's vision for the Total Force Marine Corps. The momentum gained over the last decade in Iraq, Afghanistan, and in support of theater engagements around the globe, remains sustainable through coordinated focus, processes and planning. To be sure, this momentum bears witness to the operational nature of your Marine Corps Reserve.

In everything we do, we remain focused on the individual Marine and Sailor in combat. Supporting that individual requires realistic training, proper equipment, the full range of support services and professional opportunities for education, advancement and retention. Your continued unwavering support of the Marine Corps Reserve and associated programs enables my Reservists to competently perform as an operational Reserve and is greatly appreciated. *Semper Fidelis*.

Chairman INOUE. Now, may I call upon General Stenner.

STATEMENT OF LIEUTENANT GENERAL CHARLES E. STENNER, JR., CHIEF, AIR FORCE RESERVE

General STENNER. Thank you, Chairman Inouye and Vice Chairman Cochran.

I appreciate the opportunity to be here today to discuss Reserve component funding priorities for fiscal year 2012 and the other important issues that are also affecting the 72,000-plus citizen airmen making up our Air Force Reserve.

But I would like to first take the opportunity to introduce Chief Master Sergeant Dwight Badgett. He is the command chief for the Air Force Reserve Command. And I will report he is not retiring, unless I don't know something.

And he is going to assist me in the years to come managing this vital force called the enlisted members. It is the backbone of what we take. And Chief, if you would give a standup for a second? Thanks.

AIR FORCE RESERVE PRIORITIES

My written testimony outlines our priorities. But briefly, I would like to mention the fact that our reservists continue to play an increasing role in ongoing global operations, no matter what service. They support our Nation's needs, providing operational capabilities around the world.

As we speak, Air Force reservists are serving in every combatant command area of responsibility. There are approximately 4,300 Air Force reservists currently activated to support those missions. That number includes our force's contributions to the Japanese relief effort and direct support to coalition operations in Libya.

Despite an increasing operations tempo, aging aircraft, and increases in depot scheduled downtime, we have improved fleet aircraft availability and mission-capable rates. The Air Force Reserve is postured to do its part to meet the operational and strategic demands of our Nation's defense, but that mandate is not without its share of challenges.

Our continued ability to maintain a sustainable force with sufficient operational capability is predicated on having sufficient manpower and resources. And the work of this subcommittee is key to ensuring Reserve component readiness, and the National Guard and Reserve equipment account (NGREA) is our means for pre-

servicing that combat capability. That account guarantees that our equipment is relevant and allows for upgrades to be fielded in a timely manner.

NGREA AND SUPPLEMENTAL FUNDING

Current levels of NGREA and supplemental funding have allowed the Air Force Reserve to make significant strides in meeting urgent warfighter requirements. Since 1997, the Air Force Reserve has obligated and executed 99.7 percent of our NGREA dollars, and we continue to work with the Air National Guard and regular Air Force communities to improve our process to obligate NGREA faster and in line with the OSD standards.

Air Force NGREA funding of at least \$100 million per year will provide parity and greatly enhance readiness, because, as we all know, our Nation relies on our capabilities, more today than ever before. Properly equipping the Reserve components will ensure the Nation continues to have a force in reserve to meet existing and future challenges.

Equally as important as readiness is support to our airmen and their families. Our efforts in this area go toward resiliency training, suicide prevention, the Yellow Ribbon reintegration, and Employer Support of the Guard and Reserve (ESGR) and other programs that help support the all-important Reserve triad. That is the family, the reservists, and their employer, all a part of the fabric of this Nation's defense.

In a time of constrained budgets and higher costs, in-depth analysis is required to effectively prioritize our service needs, for we must all appreciate the vital role the Reserve components play in supporting our Nation's defense and concentrate our resources in areas that will give us the most return on the investment.

Thank you for asking me here today and discussing the important issues that are affecting us all. And I do look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL CHARLES E. STENNER, JR.

INTRODUCTION

The 21st century security environment requires military services that are flexible—capable of surging, refocusing, and continuously engaging without exhausting their resources and people. The United States Air Force continues to present capabilities in support of joint operations, and the Reserve Component has evolved to the point that we are critical to those operations. In an increasingly limited fiscal environment, Reservists remain efficient and cost-effective solutions to our Nation's challenges.

In this dynamic environment, the Air Force Reserve (AFR) excels. Reserve Airmen support our Nation's needs; providing operational capabilities around the globe. Today, Air Force Reservists are serving in every Area of Responsibility (AOR), and there are approximately 4,300 Air Force Reservists activated to support operational missions. Despite increased operations tempo, aging aircraft and increases in depot-scheduled down time, we have improved fleet aircraft availability and mission capable rates. We have sustained our operational capabilities for nearly 20 years—at a high operations tempo for the past 10. We accomplish this while continuing to provide a cost-effective and combat ready force available for strategic surge or ongoing operations.

This year brings continued opportunities. Air Force Reserve Airmen are integrated into a wider variety of missions across the full spectrum of not only inherently Air Force operations, but joint operations as well. The Department of Defense (DOD) continues to seek innovative ways in which to gain greater access to, and

leverage the unique experiences and skills of Reservists. This effort recognizes our Citizen Airmen have talents that have been developed in the Air Force Reserve, but are strengthened in employment with civilian employers.

While we remain focused on the Air Force's five priorities¹, we are also guided by the following Reserve Component-unique focus areas that could be applied to the Total Force and will serve as the basis for this testimony: Force Readiness, Force Rebalance and Force Support.

OVERVIEW

The Air Force Reserve is helping to lead the way in improving Air Force capability for fiscal year 2012 and beyond. The fiscal year 2012 President's budget request would fund Air Force Reserve requirements of approximately \$5 billion. It provides for the operation and training of 34 wings, funds 117,769 flying hours, maintains 344 aircraft, and provides for the readiness of 71,400 Reservists and 4,157 civilian employees. Our budget request is about 4 percent of the total Air Force budget, and includes \$2.27 billion for operations and maintenance for air operations, service support and civilian pay; \$1.7 billion for military personnel; and \$34 million for military construction.

Not only does our fiscal year 2012 budget request ensure Air Force Reservists are trained and prepared to support Air Force and Combatant Command requirements, but it also demonstrates our commitment to the DOD's focus on efficiencies. Through better business practices, by leveraging new technology, and by streamlining our force management efforts, we identified \$195 million in efficiencies for fiscal year 2012 alone. With your continued support and assistance in the coming year, we will be focused on rebalancing our force, recapitalizing our equipment and infrastructure, and supporting our Reservists and the balance between their civilian and military lives.

FORCE READINESS

Reservists continue to play an increasing role in ongoing global operations. This reliance can be seen during surges such as those in Iraq and Afghanistan. Properly equipping the Reserve Components will ensure the Nation continues to have a "Force in Reserve" to meet existing and future challenges.

Air Force Reserve Modernization

A number of trends continue to influence dependence on Air Force Reserve forces to meet the operational and strategic demands of our Nation's defense: sustaining operations on five continents and the resulting wear and tear on our aging equipment; increasing competition for defense budget resources; and increasing integration of the three Air Force components. The Air Force leverages the value of its Reserve Components through association constructs in which units of the three components share equipment and facilities around a common mission. Increasing integration of all three Air Force components requires us to take holistic approach. To ensure our integrated units achieve maximum capability, the precision attack and defensive equipment the Air Force Reserve employs must be interoperable not only with the Guard and Active Component, but the Joint and Coalition force as well.

The National Guard Reserve Equipment Account (NGREA) appropriation has resulted in an increase in readiness and combat capability for both the Reserve and the Guard. For example, using fiscal year 2009 NGREA, fiscal year 2009 OCO and fiscal year 2010 NGREA funds, the Air Force Reserve responded to a Combatant Commander Urgent Operation Need (UON) related to the capabilities of our A-10 and F-16 fleet. Through acquisition of the Helmet Mounted Integrated Targeting (HMIT) system we were able to enhance our pilots' capability to cue aircraft sensors and weapons well outside the Heads-Up Display (HUD) field of view of their aircraft. This commercial-off-the-shelf (COTS) system is a common solution for both the A-10 and F-16 aircraft. Additionally, HMIT incorporates color displays in its system and is compatible with current night vision goggle systems to enhance night time flying capabilities. These capabilities have the potential to increase the situational awareness of our A-10 and F-16 pilots by 400 percent and to decrease incidents of fratricide caused when pilots move their heads away from their controls to

¹The Air Force Priorities are: (1) Continue to strengthen the nuclear enterprise; (2) Partner with the Joint and Coalition team to win today's fight; (3) Develop and care for our Airmen and their families; (4) Modernize our air, space, and cyberspace inventories, organizations, and training; and (5) Recapture acquisition excellence.

see targets on the ground. Actual purchases are expected to start at the end of fiscal year 2011 with delivery in fiscal year 2012.²

Since the start of combat operations in Afghanistan and Iraq, the majority of our equipment requirements have been aircraft upgrades. These upgrades provide our aircraft with better targeting, self protection and communication capabilities. As legacy aircraft are called upon to support operational missions, the equipment is stressed at a greater rate. As new equipment is identified that will satisfy our capability shortfalls, we begin procurement, normally buying enough assets with “first year” dollars to equip a single unit of aircraft. With subsequent year funding we continue purchasing until our requirements are met. This method of procurement allows the expedient fielding of capabilities to our deploying units, but equipment levels, especially in the first few years of a program’s execution, are not at sufficient levels to meet our overall requirements.

In fiscal year 2008, we modified our requirements process to align with the Air Force Reserve corporate process. This alignment provides total visibility and support for our modernization needs from identification of a requirement until it is fully mission capable. The process also incorporates input from our units received through Combat Planning Councils (CPCs). Our unfunded requirements, after being vetted through our corporate process, reside on our Modernization List. Each year we review the list to determine where the best use of the allotted amount of NGREA will make the most impact. Additional supplemental funding has helped in procuring our needed equipment.

Historically, the Air Force Reserve has been a prudent steward of NGREA funding with an average obligation rate of 99.7 percent prior to funding expiration.³ We are currently involved in a cooperative effort with the Air National Guard and the Active Component’s acquisition communities to review our obligation processes and develop improvements to bring our obligation rates more in line with the Department’s standards of 80 percent and 90 percent in the first and second years of execution.

Military Construction (Milcon) and Infrastructure Modernization

Along with challenges in modernizing our equipment, we face challenges modernizing our infrastructure. During the fiscal year 2011 budget formulation, both the Active Component and the Air Force Reserve continued to take risk in military construction and facilities maintenance in order to fund higher priorities. Over time, this assumption of additional risk has resulted in a backlog exceeding \$1 billion for the Air Force Reserve.

The Air Force Reserve budget request of \$34 million in fiscal year 2012 Milcon funding will fund the construction of an airfield control tower at March Air Reserve Base, California, and a RED HORSE⁴ readiness and training facility at Charleston Air Force Base, South Carolina. As we continue to work within fiscal constraints, we will optimize space allocation with increased facility consolidation and demolition. We will continue to mitigate risk where possible to ensure our facilities are modernized and provide a safe and adequate working environment.

Air Force Reserve Manpower

To meet the current needs of the Air Force, the Air Force Reserve will grow to programmed end strength of 71,200 this year. In the fiscal year 2012 President’s budget, we have requested an end strength of 71,400. These manpower increases are placing a premium on recruiting highly qualified and motivated Airmen and providing them with the necessary training. The Air Force Reserve recruiting goal for fiscal year 2011 is 10,480. While we exceeded our highest goal ever of 10,500

²In past years, the Air Force Reserve purchased HC-130 8.33 radios to upgrade 5 AFR HC-130 aircraft. This upgrade allows these aircraft to comply with Certified Navigation System—Air Traffic Management (CNS-ATM), world-wide air traffic rules and requirements. The 8.33 radios also provided a situational awareness data link that allows crews to better identify “friends” versus “foes” and prevent “friendly fire” incidents. Without this upgrade, the movements of AFR’s HC-130s were limited and in some cases prevented in certain restricted airspace around the globe.

³From fiscal year 1997 to fiscal year 2008, Congress provided the Air Force Reserve the following amounts in NGREA funding (associated obligation rates): 1997—\$39,552,000 (99.05 percent); 1998—\$49,168,000 (99.99 percent); 1999—\$20,000,000 (100 percent); 2000—\$19,845,000 (99.75 percent); 2001—\$4,954,000 (99.98 percent); 2002—\$75,224,000 (99.88 percent); 2003—\$9,800,000 (99.84 percent); 2004—\$44,666,000 (99.96 percent); 2005—\$39,815,000 (100 percent); 2006—\$29,597,000 (99.75 percent); 2007—\$34,859,000 (98.67 percent); and 2008—\$44,695,000 (99.60 percent).

⁴Rapid Engineer Deployable Heavy Operational Repair Squadrons (RED HORSE) provide the Air Force with a highly mobile civil engineering response force to support contingency and special operations worldwide.

new Airmen for fiscal year 2010, with tightening budgets and cuts in advertising, our forecast models indicate we may continue to face challenges in some aspects of the recruiting process.

To provide a single point of entry for accessing Air Force Reserve forces, we recently established a Force Generation Center (FGC). This organization modernizes our force management practices to provide a unified picture of our combat capability, our total support to the Air Force and Combatant Commanders, and provides our customers with a single point of entry with a consistent set of business rules. We now have visibility and accountability of reserve forces in categories where we previously had limited or no real time information. Additionally, the Force Generation Center allows the Air Force Reserve to be more responsive to the needs of individual Reservists, providing them greater predictability while making participation levels more certain. This ultimately provides Combatant Commanders with more operational capability. Collectively, these actions will contribute to the overall health of the Air Force by improving the sustainability and operational capability of the Air Force Reserve required today and tomorrow.

A recent survey highlighted the fact that one-in-three Air Force Reservists has volunteered to deploy. Since 9/11, more than 60,500 Air Force Reservists, which equates to 76 percent of our current force, have answered our Nation's call and deployed to combat or supported combat operations on active duty orders. We cannot take this high-level of commitment for granted, and must do our best to ensure their continued service is used appropriately and efficiently. Accordingly, these enterprise-wide actions will make Air Force Reservists more accessible and should provide Reservists with a greater sense of satisfaction about their service.

FORCE REBALANCE

Total Force Initiatives are not just a priority for the Air Force Reserve and Air National Guard, but the Air Force as a whole. All three components are committed to aggressively examining Air Force core functions for integration and force rebalancing opportunities. This is critical in an environment focused on efficiencies. As weapons systems become increasingly more capable but expensive, their numbers necessarily decrease. Aging platforms are being retired and are not replaced on a one-for-one basis. As a result, the Air Force is required to maintain the same combat capability with a smaller inventory. To this end, we are integrating wherever practical, exploring associations across the Total Force. We have established a wide variety of associate units throughout the Air Force, combining the assets and manpower of all three components to establish units that capitalize on the strengths of each component. There are currently more than 90 Associations across all Air Force mission areas.

The Air Force uses three types of associations to leverage the combined resources and experience levels of all three components: "Classic Associations," "Active Associations," and "Air Reserve Component Associations." Under the "Classic" model a Regular Air Force unit is the host unit and retains primary responsibility for the weapon system, while a Reserve or Guard unit is the tenant. This model has flourished in the strategic and tactical airlift communities for over 40 years. We are also using this model in the Combat Air Forces (CAF). Our first fighter aircraft "Classic" association at Hill Air Force Base, Utah, attained Initial Operational Capability in June 2008. This association combined the Regular Air Force's 388th Fighter Wing, the Air Force's largest F-16 fleet, with the Air Force Reserve's 419th Fighter Wing, becoming the benchmark and lens through which the Air Force will look at every new mission. The 477th Fighter Group, an F-22 unit at Joint Base Elmendorf, Alaska, continues to mature as the first Air Force Reserve F-22A associate unit. This unit also achieved Initial Operating Capability in 2008 and will eventually grow into a two-squadron association.

Under the "Active" model, the Air Force Reserve or Guard unit is host and has primary responsibility for the weapon system while the Regular Air Force provides additional aircrews to the unit. The 932nd Airlift Wing is the first ever Operational Support Airlift Wing in the Air Force Reserve with 3 C-9Cs and 3 C-40s. To better utilize the fleet at the 932nd, the Air Force created an Active Association of the C-40s.

Under the "Air Reserve Component (ARC)" model, now resident at Niagara Falls Air Reserve Station (ARS), New York, the Air Force Reserve has primary responsibility for the equipment, while the Air National Guard works side-by-side in the operation and maintenance of the aircraft. At Niagara, the Air National Guard transitioned from the KC-135 air refueling tanker to the C-130, associating with the 914th Airlift Wing. The 914th added four additional C-130s, resulting in 12 C-130s. This ARC Association model provides a strategic and operational force and

capitalizes on the strengths of the Air National Guard and Air Force Reserve. Additionally, it provides the State of New York with the needed capability to respond to State emergencies.

Associations are not simply about sharing equipment; they enhance combat capability and increase force-wide efficiency by leveraging the resources and strengths of the Regular Air Force, Air National Guard, and Air Force Reserve. But, they accomplish this while respecting unique component cultures and requirements. Air Force Reserve and Air National Guard members train to the same standards and maintain the same currencies as their Active Component counterparts. These Airmen also provide the insurance policy the Air Force and the Nation need: a surge capability in times of national crisis. As we have seen with the increased requirements in Afghanistan, the Air Force Reserve continues to play a vital role by mobilizing our strategic airlift resources and expeditionary support to provide capabilities needed for the joint effort.⁵

To better accommodate the Air Force-wide integration effort, the Air Force Reserve is examining its four decades of association experience. With Regular Air Force and Air National Guard assessment teams, we developed analytical tools to evaluate different mixes of Reserve, Guard, and Active Component forces in any given mission set. This process for rebalancing of forces will give the Air Force a solid business case analysis tool for evaluating future associations and may lead to force decisions that support Reserve Component growth.

For the Operational Reserve construct to remain viable, we must continue to use the long-term mobilization authorities that have been in continuous use for the past 10 years. If not, the Services will revert to volunteerism as the sole planning tool for force generation to meet Combatant Command requirements. The strategic nature of the Reserve Components historically made us vulnerable to reductions in resources and budgets. This often resulted in rebalancing resources among the components based on a strategy that favored near-term operational risk reduction over longer-term cost effectiveness and wartime surge capability. This was a logical approach to allocating risk at the time because Reserve Component daily operational capabilities depended almost exclusively on volunteerism, which was difficult for planners to quantify with a desired degree of assurance. That legacy model is now the exception rather than the rule, since risk associated with the Reserve Components can be both measured and controlled through management and integration of volunteerism with sustainable mobilization plans based on the force generation model construct. This allows the Services to make force rebalancing decisions today based on business case analysis rather than focusing exclusively on near-term risk avoidance.

The traditional approach to rebalancing during a budget reduction has been to reduce Reserve Component force structure to preserve Active Component operational capabilities, or to reduce all components through some proportional or fair-share model to spread risk across the force. It is now possible to quantify and plan for a predictable level of access to operational support from the Reserve Components in critical capability areas, the traditional approach is no longer valid. Because access to operational support capability is quantifiable, it is possible to do reliable cost/capability tradeoff analysis to quantify both cost and risk for options placing greater military capability in the Reserve Components. This does not mean that Reserve Component growth will always be the prudent choice, but it does mean that the choice can be made based on measurable outcomes of cost, capability, and risk, rather than using arbitrary rules of thumb or notional ratios.

A new approach to rebalancing allows for a force that is agile and responsive to uncertainty and rapid changes in national priorities, and mitigates the loss of surge capability and the high cost associated with the traditional approach to adjusting force mix. Any approach should acknowledge the Reserve Components have become and will remain a responsive operational force. Such a force necessarily allows the Services to respond quickly and efficiently to funding reductions without decreasing warfighting capability or incurring large Active Component recruiting and training costs.

FORCE SUPPORT

While the Air Force meets the needs of new and emerging missions, we face some recruiting challenges. Not only will the Air Force Reserve have access to fewer prior-service Airmen, we will be competing with other services for non-prior service re-

⁵ In fiscal year 2010, Air Force Reserve C-5 and C-17 associate flying units flew 31,913 hours of overseas contingency support worldwide.

recruits⁶. In the past year, the Air Force Reserve has experienced the most accessions in 16 years and the highest amount of non-prior service recruits in over 20 years. To improve our chances of success, we have increased the number of recruiters working in the field to attract quality candidates. While we focus on recruiting, we must remain mindful of the experienced force we need to retain. Air Force Reserve retention continues to show positive gains in all categories. In fiscal year 2010, both officer and enlisted retention rates increased, with career Airmen retention at its highest level since 2004 and officer retention recovering to fiscal year 2007 levels.

With congressional support, we have implemented a number of successful programs to increase and maintain high recruiting and retention rates. For example, we implemented a “Seasoning Training Program”. This program allows recent graduates of initial and intermediate level specialty training to voluntarily remain on active duty to complete upgrade training. Since its implementation, nearly 13,000 Reservists have become trained and available at an accelerated rate. With the increased number of non-prior service recruits coming into the Air Force Reserve, seasoning training has become a force multiplier and ensures the Air Force Reserve maintains its reputation for providing combat-ready Airmen for today’s joint fight.

The Bonus program has also been pivotal to recruiting and retaining the right people with the right skills to meet our requirements. The Bonus program enhances our ability to meet the demand for “Critical Skills”—those skills deemed vital to mission capability. Ordinarily, critical skills development requires extensive training over long periods of time, and members who have these skills are in high demand within the private sector. Your continued support, allows us to offer the appropriate combination of bonuses for enlistment, reenlistment, and affiliation. The Bonus Program is effective; 2,676 Reservists signed agreements in fiscal year 2010. This figure is up 31 percent from fiscal year 2009.

Preserving the Viability of the Reserve Triad

Reservists balance relationships with their families, civilian employers, and the military—what we like to call “The Reserve Triad.” To ensure continued sustainability, our policies and actions must support these relationships. Open communication about expectations, requirements, and opportunities, will provide needed predictability and clearer expectations among sometimes competing commitments.

The Air Force Reserve is proud of the close ties we have with our local communities. According to recent statistics provided by the Employer Support of the Guard and Reserve (ESGR), civilian employers continue to support and value the military service of their employees.⁷ Maintaining employer support and stability is critical to retaining the necessary experience at the unit level.

The President has made supporting military families a top national security priority.⁸ Military families support and sustain troops, care for wounded warriors and bear the loss of our fallen heroes. The well-being of military families is a clear indicator on the well-being of the overall force. Less than 1 percent of the American population serves in uniform today. While the impact on war has had little direct impact on the general population, re-integration challenges faced by military families can have far reaching effects on local communities. We are committed to supporting our military families. Strong families positively impact military readiness and preserve the foundation of the “Reserve Triad.”

We have placed added emphasis on suicide prevention and resiliency. Airmen in high-stressed career fields undergo a 2-day decompression program at the Deployment Transition Center. Additionally, at each home station installation, we implemented a tiered system of suicide prevention to address mental health concerns. The well-being of our force is a priority and we will continue to give it our undivided attention.

Thanks to congressional initiatives, our Yellow Ribbon Reintegration Office is up and running and fully implementing Department of Defense directives. Our program strives to provide guidance and support to military members and their families at a time when they need it the most, to ease the stress and strain of deployments and reintegration back into normal family life. Since the standup of the program in August 2008, we have hosted 125 events across 39 Wings and Groups. Nearly 21,000 Reservists and 15,000 family members have attended these events.

⁶ According to the Office of the Secretary of Defense, Personnel and Readiness, only about 26 percent of today’s youth are qualified to serve without obtaining a waiver. Shrinking numbers of qualified youth, coupled with AFR’s increased reliance on Non-Prior Service members, and a highly competitive recruiting atmosphere will continue to challenge our recruiting force.

⁷ ESGR USERRA case resolution statistics.

⁸ The President of the United States released the final report on Presidential Study Directive-9 (PSD-9) on January 24, 11. The report identified the administration’s priorities to addressing challenges facing military families.

From Yellow Ribbon event exit surveys and through both formal and informal feedback, we know attendees feel better prepared and more confident about the deployment cycle. The Air Force Reserve is leaning forward in meeting pre-, during and post-deployment needs of our members and their families.

CONCLUSION

We take pride in the fact that when our Nation calls on the Air Force Reserve, we are trained and ready for the fight. As an operational force over 70,000 strong, we are mission-ready and serving operationally throughout the world every day.

In a time of constrained budgets and higher costs, in-depth analysis is required to effectively prioritize our needs. We must understand the vital role we play in supporting our Nation's defense and concentrate our resources in areas that will give us the most return on our investment. Optimizing the capabilities we present is a top priority, but we must simultaneously support our Airmen, giving them the opportunity to have a predictable service schedule that meets the needs of Reservists, their families and their employers.

The Air Force Reserve must also remain flexible, capable of surging, refocusing, and continuously engaging without exhausting resources and people. Approaching fiscal year 2012 and beyond, it is imperative that we preserve the health of our strategic reserve and improve our ability to sustain our operational capability. Going forward, we need to continuously balance capabilities and capacity against both near-term and long-term requirements. The actions we initiated in 2010 and those we advance in 2011 will preserve the health of our force.

Chairman INOUE. Thank you very much.

Over the last several years, Reserve components have transitioned from strategic to operational, but annual budget requests have not been adequately addressed for additional equipment. Now, what remaining equipment shortfalls concern you, and how does this shortfall affect your ability to train and deploy?

EQUIPMENT SHORTFALLS AND MODERNIZATION

General STULTZ. Sir, on the part of the Army Reserve, as General Carpenter stated earlier with the Army Guard, one, thanks for the support we have received in the past years because we have gotten unprecedented levels of dollars to get new equipment. Unfortunately, we are still not there.

If you look at the Army Reserve today, the good news is I can report about 90 percent of the equipment on hand that I am authorized. However, only about 65 percent of that equipment is modernized. And so, we still have a lot of legacy equipment. And in some areas, it is very severe because it is an aging fleet, and it is not a fleet that is deployable.

An example I would use is if you look at my dump trucks in my engineer battalions, on paper it says I have 100 percent of the dump trucks that I am authorized. But only 26 percent of them are modernized. So almost three-quarters are the old legacy fleet. If you look at the MTVs—medium tactical vehicles—on paper it says I am at 92 percent authorized. But I am 25 percent modernized. So it is a legacy fleet.

TRAINING ON MODERNIZED EQUIPMENT

And I could go on and on with that, the point being—to your point—if we are going to employ this force on the modern battlefield, we are going to have to employ it with the equipment that is used on the modern battlefield. If we are going to train the force back home, we are going to have to train them on the equipment they are going to operate on the battlefield.

And that is where I am really concerned, is making sure that, just as you said earlier, every soldier we send into battle goes properly trained, properly equipped. We know they are going to be falling in on the latest and greatest equipment when they get to Afghanistan. The key is am I going to be able to train them back here on that same level of equipment so that when they get there, there is no training required. They can go immediately to mission.

And just as importantly, for those Army Reserve soldiers who are coming back from their deployment—and oftentimes, their second and third deployment—can I keep them engaged back here during those off-years if they don't have the modern equipment that they have been operating? And they come back and say, "Why am I wasting my time training on this obsolete equipment? I just was in Afghanistan, and I know what the modern equipment looks like."

So we have got a bill out there of something like \$3.4 billion just in shortages. But more importantly, I have got a bill of about \$9 billion to get modernized where I need to be.

SUICIDE PREVENTION EFFORTS

Chairman INOUE. Well, I would like to talk about the suicide rate. It has gone up 42 percent in 2010 with 50 reservists taking their lives. I note that most of the suicides occurred while they were in the civilian status. What have you done to respond to this?

Admiral DEBBINK. Mr. Chairman, I will offer a couple of programs that we have in the Navy Reserve that I think are particularly effective. And one of those is the Psychological Health Outreach Program.

And with that program, we have a total of 25 psychological health outreach counselors stationed throughout the country, 5 in each region, who are very proactive in reaching out to each of our sailors as they return from their mobilization, as well as being available as a constant resource to our Navy operational support centers throughout the country, should they identify a sailor in need.

The other thing I would offer is that we have a very close relationship with the active Navy and the fleet and family service centers. That has improved greatly over the past several years. And we believe that is an engagement, one sailor at a time, that will have the greatest impact on reducing the suicide rate, which every single one is a tragedy.

Chairman INOUE. Have you noted that the rate is coming down, or is it still the same?

Admiral DEBBINK. We have been very fortunate, Mr. Chairman, in the Navy Reserve at least, maintaining approximately four suicides per year for the last several years, down from six 3 years ago. As I said, though, every suicide is tragic, sir.

AIR FORCE WINGMAN DAY

General STENNER. Senator, if I could add to that just a touch? I think that in the Air Force Reserve we have kind of flat-lined. Of course, zero is the place we want to be, but we have flat-lined on what we are, in fact, seeing happen. And a lot of that I attribute to leadership involvement.

We have what we call a Wingman Day. And on Wingman Day, we take the time off to sit down with each other in the small groups that we have and discuss the kinds of things that go into de-stigmatizing any kind of thoughts that folks have, either if they have ideations—suicidal ideations—and/or if somebody sees something, they should not feel too hard over talking to that person. There is no stigma on either side of that.

But along with the leadership intent comes some results. What I have seen and I have documented are six “saves,” if you will, in the last several months that could have turned into something tragic that was averted because we do have that leadership involvement. We have taken the time out of our schedules to do a Wingman Day.

We are looking at resiliency training coming out of the theater, taking 2 days to go through a resiliency training center in Germany and getting those kinds of things talked about before they return to the States and then reintegrate with the families and the jobs.

Leadership is a big deal, along with the rest of the ideas that are coming from leadership and coming with the programs that you have funded us with.

Thank you.

Chairman INOUE. General.

General MOORE. Yes, sir. As Admiral Debbink indicated, we are drawing very heavily on the regional siting of the mental health professionals. And I think that is paying real dividends and certainly a program that has earned its keep.

We also, as General Stenner just mentioned, we do spend quite a bit of time on what I would call resiliency, hardening, with our combat operational stress programs, both pre- and post-mobilization. And then, finally, as we have for 235 years, we rely on small unit leadership, in particular our NCOs and staff NCOs. They know their marines.

And when a marine is at risk because of stressors, both as a result of service and then also in his or her life outside of the Marine Corps, we rely on those NCOs and staff NCOs, in particular, to minister, if you will, to their marines.

So the numbers are trending positively. I mean, one is too many. But nonetheless, this year is looking pretty good, compared to the last.

Thank you.

Chairman INOUE. You have had a pretty hefty deployment record. Let us see—60,000 reservists, and 20,000 have been deployed more than once. You keep track of all of those after they get back?

General MOORE. Well, we certainly try, sir.

As you know, if a marine chose to drop from the active drilling Marine Corps Reserve to the Individual Ready Reserve after he or she returns from a deployment, they aren't seen quite as frequently if they are in the Individual Ready Reserve. But we do track as closely as we can and continue to be engaged with marines that have multiple deployments.

I was with 1st Battalion, 25th Marines at Fort Devens 1 week ago when we activated that battalion for its final workup and then

deployment to Afghanistan. The sergeant major of that battalion, this will be his fifth combat deployment. He went twice as a gunnery sergeant, twice as a first sergeant, and then now going forward as a sergeant major.

Chairman INOUE. Is the sergeant major here?

General MOORE. He is not with me today, sir. He is at Camp Pendleton with his battalion as they begin their final workup before they deploy in July.

Chairman INOUE. General Stenner, the Air Force Reserve has had a very active time. I think you have had over 60,000 reservists called into active service. To facilitate this high operational tempo, what are you doing?

AIR FORCE RESERVE OPERATIONS TEMPO

General STENNER. Senator, that is a great question, and I am very proud that we have had 60,000 of our reservists, 75 percent of our force, has raised their hand at least once to do what this Nation has called them to do and what they have volunteered to do.

I have got to tell you, they are doing a great job around the world with a three-component Air Force that is seamlessly integrated, trained to the same standards. And that, to me, is a big part of what we are doing to facilitate keeping that force strong and keeping that force in a ready state, but not overusing the force and monitoring the dwell that we have that is facilitated by the structures that we have called associations, where we put active, Reserve together or Guard and Reserve together and have a package of capability that can flex and surge as required by this Nation, which allows us to monitor and manage that all-important dwell, that time back home, back to their employers, back to their families.

And more of that will have to happen as we rebalance this force to maintain that ready force, rebalance it, and thereby support it, with the help of this subcommittee and the appropriations that come. Make it ready, keep it ready, rebalance it where the mission sets require it, and we will be that operational force that is leveraged from a strategic reserve, integrated seamlessly with our active and Guard partners.

Chairman INOUE. I have several other questions I would like to submit to all of you, and if you would give me a response, I would appreciate it very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, I know that each chief has indicated they would like to have their service to be involved in Federal call-up, not only active duty military-type operations, but also in case of natural disasters.

And I asked a question of an earlier panel about the capability of responding and what we could do to be helpful. And I wonder, in this situation, there is no certainty about what is going to happen with these emergency call-ups. Do you think you are organized to respond?

And I will ask each of you that question. When, under the law, the President calls up Reserve units for active duty, is there anything we need to do in terms of appropriating for a special account to set aside for such operations, or can you manage that within

your ability to borrow and then get reimbursed later from other accounts? What is your reaction to that?

General Stenner.

AIR FORCE RESERVE RESPONSE TO NATURAL DISASTERS

General STENNER. Sir, I will start the conga line here with the responses. But are we organized to respond? As an Air Force Reserve and as a three-component Air Force, I do believe we have the ability to respond. And we will respond when there is life or limb at risk, and we will worry about how to get paid later.

That happens, I think, on a more frequent basis than we might know because there are things going on across this country that need that kind of timely response.

We are working today with our combatant command partners and the joint staff to figure out if there is, in fact, a more efficient way to do that. If there was some kind of a guaranteed funding stream, I am certain that that would be very much of an enticement to say, "No worries, we will just keep on going."

But I will tell you that we haven't used that "can we get reimbursed or not" as the key to "will we respond?" We will respond, and we are working hard to make sure that we can send a unit, we can send a piece of a unit, or we can send an individual as required.

Senator COCHRAN. Admiral.

RESERVE CALLUP RESPONSE

Admiral DEBBINK. Senator Cochran, I am very pleased with the way the Navy and Navy Reserve is organized to respond to situations like Operation Tomodachi and Operation Odyssey Dawn, just most recently.

Literally, in less than 24 hours, we had Navy Reserve sailors flowing to both of those, based upon the usage of our Navy Reserve order writing system and other electronic systems we had to notify people of the opportunities. So that is working well.

With regard to the funding issue, my belief is that each of the services—in my case, the Navy—should be able to handle that within our MPN account. Because the opportunity to utilize these sailors will be such that it should be able to flow right in there side by side with the active duty. So I don't believe we need any additional funding.

However, as I mentioned in my opening statement, the authority to deploy these sailors is important in a security force assistance environment in the future. And I believe that proposal is before you during this Congress.

Senator COCHRAN. Thank you.

General Stultz.

ORGANIZED TO RESPOND TO EMERGENCY CALLUPS

General STULTZ. Yes, sir. First, are we organized? Yes, sir, exactly. We, in the Army Reserve, are organized with functional command and control structure across the United States. So, for instance, between the Army Reserve and the National Guard, we

have 75 percent of the engineer capability of the Army in our ranks.

Now, within the Army Reserve, I have two engineer commands, two two-star commands, who command the engineer brigades and the engineer battalions within the Army Reserve. So they can call, they can direct, they can command and control those formations across the country.

One of those two-star commands is the 412th Engineer Command in Vicksburg, Mississippi. And so, the commander of the 412th Engineer Command has one-half of the Army Reserve's engineer capability at his behest because he commands them. He has authority over them.

TITLE X AUTHORITY FOR EMERGENCY CALLUPS

So we are organized to respond with command and control, with capability, wherever needed. Do we have the authority? No. Currently, for the homeland, as you well know, for use of the title X reserve on an involuntary basis is limited to weapons of mass destruction instances.

And we have proposed that that really is not fully utilized in the resources and the assets that we have available. The National Guard is going to always be the first military responder because the Governor has the capability in Mississippi to activate his National Guard, and they come forth and do a wonderful job.

It is only when that State goes and says, "We need more help beyond our capability, and we need Federal help," that we go to the Federal forces. But today, most likely, you will get the 82d Airborne coming from Fort Bragg, North Carolina, when, within the State of Mississippi, all of us sitting here probably have resources that are available, that are willing, and that are citizens of that State.

So they have a vested interest in responding to those floods or whatever, if needed. And the other taxpayers within that State look and say, "Why aren't they being utilized? We paid our tax dollars to buy that equipment for that engineer unit or for that medical unit or for that Medevac unit, or whatever. Why aren't they being utilized to help us when we need them?"

And so, that is one area where we say we just need the authorities looked at to say we don't want to be the National Guard. We want to be the Federal, but let us be the Federal first response versus the active component, when we are available and we have the capabilities.

ACCESS TO ARMY RESERVE FOR NON-EMERGENCY MISSIONS

The second area, as Admiral Debbink has indicated, is for the overseas-type mission sets, the security cooperation theater engagement, those types, same thing.

Give us the authority for the Secretary of Defense or the Secretary of the Services to utilize us when it is not a named contingency like New Dawn or Iraqi Freedom or Enduring Freedom, when it is just a need, and we need a Reserve unit to come in for 60, 90 days to help us out, provide medical support, whatever it is, to this Nation.

Give us the authorities there. I think if we get the authorities, the funding streams will be worked out because the combatant commands have those types of funds for theater engagement. And as we have seen back home with FEMA and the other streams there, there are funds to respond for natural disasters. We will work that out once we get the authorities.

Senator COCHRAN. Yes. Thank you, General Stultz.
General Moore.

RESERVES AS FIRST RESPONDERS

General MOORE. Sir, we are organized to respond. Our capabilities are scalable and flexible. So I can answer “rog” on that one, or yes.

As each of the other flag officers have indicated, it is the authorities piece that currently needs some attention. I think there are two legislative proposals up here, both for, let us call it OCONUS use, not named contingency operations, and we have all had an opportunity to participate in the making of that piece of sausage as it got out of the building and came over this way.

And then, second, as you have put your finger on, the use of title X forces inside the continental United States for something other than for weapons of mass destruction. And again, I believe there is a legislative proposal over here that you will see certainly either as part of the NDAA 12 or attached to some other piece of legislation.

So if the authorities are in place, our abilities, our capabilities are there. And I think, as each of the generals have said, if tasked through the global force management process, then we certainly would respond, and we are ready to do so.

Senator COCHRAN. Thank you very much.

General MOORE. Yes, sir.

Senator COCHRAN. Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUE. General Stultz, Admiral Debbink, General Moore, and General Stenner, the subcommittee thanks you for your testimony and for your service to our Nation.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENERAL CRAIG R. MCKINLEY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

ARMY AND AIR GUARD—EQUIPMENT

Question. General McKinley, the equipment levels of the Army and Air Guard have improved significantly in the last 4 years, in large part due to additional equipment funding provided by the Congress. The Army Guard now has 77 percent of its equipment requirements, up from 40 percent in fiscal year 2006. How have these increases improved readiness, and what additional equipment challenges remain?

Answer. A recently completed review of Army National Guard (ARNG) Equipment On-Hand (EOH) indicates that the ARNG units have an average of 88 percent of their authorized equipment. Since the end of 2006, the number of ARNG units that met minimum readiness standards for equipment on hand increased from 31 percent to 49 percent. Despite the overall improvement in the ARNG’s equipping pos-

ture, critical shortfalls remain. Current equipment shortages, which constrain readiness, include medium tactical trucks and trailers (many are programmed for delivery), Warfighter Information Network-Tactical equipment (provides mobile satellite communication and ground-based network capabilities) and its associated command and control systems, Firefinder Radars, and the newer generation of engineer equipment.

Question. General McKinley, what remaining equipment shortfalls are you most concerned about?

Answer. The Army continues to improve the EOH and modernization levels for the ARNG. The ARNG's most critical equipment shortfalls are provided below:

- General Engineering Equipment.*—Horizontal/vertical construction, diving, and firefighting equipment for Homeland Defense Response missions.
- Family of Medium Tactical Vehicles.*—Replacement vehicles for existing, nondeployable M35 series, and 800/900 series 2.5- and 5-ton trucks in the ARNG fleet.
- Shadow Tactical Unmanned Aircraft System.*—Equipment sets and associated Shadow Crew Trainers are high-value intelligence, surveillance, and reconnaissance assets for support of war-fighting missions across the full spectrum, as well as for homeland emergency support to civil authorities.
- Command Posts (Tactical Operations Center and Standardized Integrated Command Post System).*—Integrated command posts with Force XXI Battle Command, Brigade and Below.
- Chemical/Biological/Protective Shelter.*—Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) collective protective systems for Consequence Management Response Force (CCMRF) missions.

The Air National Guard (ANG) is most concerned with the following equipment needs:

- Upgrades to the fleet of 11 RC-26Bs to include flight deck avionics, Electro-optical/Infrared Full Motion Video sensor suite, Main Sensor Operator station, and communications suite. The upgrades would align the fleet with the current capability provided by the MC-12.
- The ANG vehicle fleet which represents 15 percent of the vehicles operated by the Air Force. Approximately 2,300 of more than 14,000 are replacement eligible/legacy vehicles. Each fiscal year, between 200 and 600 vehicles become replacement eligible.
- F-16 and A-10 recapitalization and modernization and reducing current delays which are significantly impacting the aging fleets.

FAMILY SUPPORT AND YELLOW RIBBON PROGRAMS

Question. Gentlemen, this subcommittee recognizes the contributions made by reservists over the past 10 years of war and wants to ensure that they and their families receive the support services they need. Outreach efforts such as the Yellow Ribbon Reintegration Program are particularly important for guardsmen and their families who are geographically dispersed across the country. Please update the subcommittee on your service's Yellow Ribbon efforts and their effectiveness.

Answer. The National Guard Yellow Ribbon Reintegration Program supports servicemembers and their families with events and activities that focus on their physical, mental, social, spiritual, and financial wellbeing throughout the deployment cycle.

In fiscal year 2009, the National Guard held 958 events in 353 locations nationwide. A total of 63,775 service members attended these events, along with 31,674 family members. Each event, on average, drew 100 attendees. In fiscal year 2010, the National Guard held 1,657 events in 498 locations nationwide. A total of 127,844 servicemembers attended these events, along with 125,255 family members. Each event, on average, drew 153 attendees. For fiscal year 2011, as of March 31, 2011, the National Guard has held 964 events in 352 locations nationwide. A total of 53,871 servicemembers attended these events, along with 50,011 family members. Average attendance at these events has been 153 attendees.

The National Guard utilizes After Action Reports to determine the effectiveness of individual events. Participants are asked to complete surveys to provide feedback on the information they received regarding resources available to them and their families throughout the deployment. Participants are also asked to provide feedback on information received about the benefits they have earned as a result of being deployed, and how to access these benefits. In an effort to expand the support and services that are provided, the National Guard is focusing on collaboration, communication, and training in order to reinforce a seamless, comprehensive network of support services. This initiative will allow the National Guard to reach a wide range

of stakeholders by providing training on best practices using a variety of tools (i.e. classroom, e-learning and virtual workshops), while ensuring services provided recognize the unique, State-oriented needs of the National Guard, and are also applicable to all Reserve Components.

Question. Are family support programs fully funded in the fiscal year 2012 budget request? Are there programs, from your perspective, that could be improved?

Answer. Family Assistance Centers are funded at \$26 million in the base. Overall, \$71 million exists in validated requirements. Family Readiness Support Assistants are funded at \$15.6 million in the base, while \$17.5 million exists in validated requirements. Child and youth programs are funded at \$28 million in the base while there is \$68.3 million in validated requirements.

We are continually improving our family support through improved training, expansion of our volunteer network and coordination with other support networks including other military programs, Federal and local government, and the private sector. We are very excited about the work being done through the Chairman of the Joint Chiefs of Staff Family Support meeting to revitalize Inter-Service Family Assistance Committees in support of all military members, their families and veterans. Inter-Service Family Assistance Committees are voluntary military/community coalitions that facilitate support through a series of networks. Through these networks, we will continue to work toward increased collaboration, cooperation, and communication.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT (NGREA)

Question. Gentlemen, this subcommittee recognizes the importance of providing the Guard funding for necessary new equipment and modernization of aging equipment and have consistently done so through the National Guard and Reserve Equipment Appropriation (NGREA). Please describe the importance of this additional funding to providing Critical Dual-Use (CDU) equipment for the Guard.

Answer. The Army continues to address shortfalls in the ARNG while striving to modernize ARNG capabilities. The ARNG estimates it needs \$3–\$4 billion in annual programmed funding to maintain interoperability with Army units, sustain current EOH levels, and continue modernizing our equipment. The additional funding the ARNG receives from the Congress through the NGREA enables the ARNG to enhance the Army's already robust procurement plans, by focusing complementary funding on CDU equipment.

The Family of Medium Tactical Vehicles (FMTV) is one of the mainstays of CDU equipment and continues to play an integral part in most ARNG missions. As such, the ARNG has invested large portions of the NGREA funding in modernizing its Medium Tactical Vehicle (MTV) fleet. Funding from fiscal years 2008–2010 the NGREA allocated for FMTV will result in the modernization of 12 percent of the ARNG's MTV fleet.

The ARNG has also invested the NGREA funds in Tactical Battle Command Systems to enhance interoperability with Army units. Specifically, the ARNG invested the NGREA funds in CDU systems, such as the Tactical Operation Combat System, Standard Integration Command Post System (SICPS), and Warfighter Information Network-Tactical. These systems provide standardized communication infrastructure for commanders and staff to digitally plan, prepare, and execute operations related to their missions. With the NGREA funding, the ARNG was able to purchase SICPS and Command Post Platform systems for more than 47 brigade/battalion level units.

The ARNG continues to posture itself toward the Army's full-spectrum, ARFORGEN-based Equipping Strategy, by focusing on modernizing, improving equipment interoperability, and emphasizing CDU equipment. As a result of significant Army investment in ARNG equipment and the generous support from the Congress, the ARNG equipment on-hand percentage has risen to 88 percent, and the ARNG has 89 percent of its CDU EOH, as of March 2011.

The NGREA is the life blood of the ANG modernization efforts. The Active Component's emphasis is on long-term recapitalization as Department of Defense budgets flatten, which increases the importance of the NGREA for modernizing legacy ANG aircraft. In addition, the Active Component has not yet recognized the unique requirements driven by the ANG's domestic mission—the NGREA is the primary means to fulfill these current domestic capability shortfalls.

Question. Historically, the Department has had some trouble in obligating the NGREA funds in a timely manner. Please provide an update on current obligation rates.

Answer. The ARNG obligation rates for the NGREA have significantly improved in the past 12 months, through the implementation of better business practices and

communication with Department of the Army and Program Manager Offices. The ARNG NGREA obligation rates for fiscal year 2009 and fiscal year 2010 exceed both congressional and Office of the Secretary of Defense obligation standards. The ARNG NGREA obligation rates as of June 2011 are as follows: fiscal year 2009—98 percent; fiscal year 2010—88 percent.

The ANG changed the NGREA planning and execution process to meet the Office of the Secretary of Defense (OSD) goal of obligating 80 percent of procurement funds in the first fiscal year of the appropriation. The Air Force is also providing assistance by issuing policy letters that will drive process changes to speed obligations. The ANG NGREA obligation rates are now within OSD standards, and as of June 2011 are as follows: fiscal year 2009—93.5 percent; fiscal year 2010—83.5 percent.

HAWAII ARMY NATIONAL GUARD

Question. General McKinley, the National Guard Bureau (NGB) plans to relocate a Battalion Headquarters 29th Infantry Brigade from the Hawaii Army National Guard to the California Army National Guard upon conversion from the Brigade Special Troops Battalion (BSTB) to a Brigade Engineering Battalion (BEB). I am concerned that moving the headquarters to California would adversely affect Hawaii's homeland response capability, since this unit is currently dual-missioned as the command and control element of Hawaii's Chemical, Biological, Radiological and Nuclear Response Force Package (CERFP). Please provide an update on the decision to relocate the headquarters.

Answer. The BEB Force Design Update (FDU) is pending approval by the Army Chief of Staff. It is one of several initiatives under consideration in the Total Army Analysis (TAA) 14–18. Until TAA 14–18 resourcing requirements are clear—we anticipate this will be in 1st quarter fiscal year 2012—the ARNG will not make the BEB-related stationing decisions. Additionally, we will review the Hawaii National Guard's total force structure to ensure they have the necessary capabilities for homeland response.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

MARIJUANA ON PUBLIC LANDS

Question. In the President's fiscal year 2012 budget, \$179.7 million is requested to support States' programs, again including eradication of marijuana on public lands.

How effective can the National Guard be in fiscal year 2012 in eradicating marijuana on public lands without the kind of additive funding that was provided in fiscal year 2011? What would our operations look like without an additional \$50 million?

Answer. There is a direct correlation between funding and manning and results. By providing additional funding to State National Counterdrug Programs, they are able to resource more personnel to priority law enforcement counternarcotics missions and significantly impact their operations in a positive way. Marijuana eradication on public lands has historically benefited from additive funding. Without additive funding, all programs will be forced to curtail support operations to include priority missions aimed at specific threats. The second and third order of effects of no additive funding will sharply impact remaining priorities; thus, potentially allowing the always adapting threat to thrive in areas not fully resourced to meet requirements. Marijuana eradication is a deliberate 6–9 month operation for many States. Additive funding, if provided, is required early in the planning process to adequately meet customer requirements and also permit State programs to efficiently execute the additional resourcing.

Without an additional \$50 million, operations would be reduced from the fiscal year 2010 in the following manner: aviation reconnaissance would be reduced anywhere between 25–40 percent; high-priorities States could be impacted even more, potentially up to 50–60 percent of their historical support operations; and finally eradication efforts would not be in place to removed anywhere between 600,000 and 900,000 plants for fiscal year 2012.

Question. How much of the National Guard's counterdrug funding is used for the eradication of marijuana on public lands? What other areas is it used for?

Answer. For fiscal year 2010, 13 percent of the State Plans budget was used for aviation reconnaissance. Approximately 90 percent of aviation reconnaissance is used for marijuana spotting on public lands. This equates to a dollar value of \$26.7 million for fiscal year 2010.

For fiscal year 2011, 16 percent of the State Plans budget was used for aviation reconnaissance. Approximately 88 percent was used for marijuana spotting on public lands. This equates to a dollar value of \$33.1 million for fiscal year 2011.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

S. 325, EMBEDDED MENTAL HEALTH PROVIDERS FOR RESERVES ACT OF 2011

Question. General McKinley, I am very concerned about the increasing rise in Guardsmen suicides. I know it can be challenging to reach out to servicemembers as they return to their communities, but I feel more can be done. The California National Guard has embedded part-time providers at some of their armories and they have noticed a dynamic increase in self-referrals over time.

Do you think programs such as Embedded Mental Health Providers will increase the trust between Guardsmen and mental health providers; ultimately reducing some of the stigma associated with seeking mental health care?

Answer. We do. One of our most interesting initiatives is a California National Guard (NGCA)-TRIWEST sponsored embedded counselor pilot program that started in 2006 and continues today. The program data elements collected so far indicates trust has been established.

In 2006, only 36.28 percent of contacts by Guard members to embedded counselors were “self-referred”; a Guard member initiated contact. To date, more than 50 percent of our Guard members are choosing to “self-refer” to an embedded counselor. In 2006, more than 10 percent of Guard members were referred to an embedded counselor by a commander. To date, less than 3 percent are being referred by commanders. In 2006, 2.64 percent of the referrals were made by peers. To date, there have been no referrals suggested by a peer. Increased self referral rates, decreased command requested referrals, and a decrease in peer suggested referrals, most likely indicate either a reduction in stigma or an increase in trust associated with those seeking counseling services.

In addition, most of the embedded counselors have remained with the units of original assignment. All have recently elected to continue contracting with TRIWEST in the embedded counselor program. Retention rates are indicators of positive job satisfaction; and clearly the embedded counselors must believe their efforts are making a difference.

The design of the embedded counselor program places providers in high-risk units, at armories and wings well before deployment allowing “relationships” to become well established. While Guard members are deployed, families and Guard members who have not deployed, have a familiar and reliable resource available to them.

It is well known that cohesiveness is an important factor within military units and trust is critical. We believe the embedded counselor program has forged a bond between our embedded counselors and our Guard members beyond initial expectations.

Question. Post-deployment, where do National Guard members and their family members turn for support when the member is not on Active Duty status?

Answer. Many National Guard servicemembers are remotely located (isolated) in terms of support systems when released from Active Duty.

Because of the existing relationship with the embedded counselor in a specific unit, the opportunity for critical intervention is greatly enhanced. Access to mental health care has been a continued challenge for the members of the National Guard. The majority of clinical referrals are made to local and county mental health departments.

One of our most interesting initiatives is a NGCA-TRIWEST sponsored embedded counselor pilot program that started in 2006 and continues today.

During the past 16 months, the NGCA has met and briefed nearly all of the 58 California county directors and staff members on the embedded counselor program and feedback has been enthusiastic and supportive. Through these discussions, a need for “military culture” training was identified, developed and currently more than 20 counties and 1,000 civilian providers have received this important orientation, which is critical to understanding the nuances associated with deployment and combat stress. In addition, the NGCA has initiated a behavioral health outreach effort to enhance the embedded counselor program with “strike team” capability to respond to critical incidents.

Most recently, in order to provide empirical data to the embedded counselor model, the Walter Reed Army Research Institute has initiated a research study involving 12 units scheduled to deploy in 2011. The results of this study may provide

conclusive data as to the efficacy and cost effectiveness of the embedded counselor program model.

NATIONAL GUARD MILITARY CONSTRUCTION

Question. General McKinley, 40 percent of Army National Guard Readiness Centers are more than 50 years old, including some in my State of Washington. I am very concerned that after serving with their Active-Duty counterparts in state-of-the-art facilities on deployment, our servicemembers return home to insufficient facilities.

Has the National Guard reviewed the condition of all of their facilities as a whole?

Answer. Yes, each quarter the Army National Guard (ARNG) captures the condition of all federally supported facilities, and updates the Army Installation Status Report (ISR) database. Each State, Territory, and the District of Columbia captures information on a variety of condition factors for each facility and provides analysis of the overall facility condition.

In addition, Senate Report 111–201 (Senate Armed Services Committee) directed the Secretary of the Army to conduct an independent study of all Army National Guard Readiness Centers. This study—considering several criteria, including size and condition—is in the pilot stage and defining the standards and methodology for conducting the study.

Also, each year the Air National Guard (ANG) base leaders conduct facility assessments, prioritize requirements through a facility board process composed of senior leaders at the installation, and forward the prioritized requirements to the Installations and Mission Support Directorate at the National Guard Bureaus (NGB) for inclusion in upcoming Sustainment, Restoration, and Modernization or Military Construction (MILCON) programs. While the ANG does have facility modernization needs, the sufficiency of our facilities continue to meet our airmen's needs.

Question. How will the decrease in the MILCON funds in future years affect the ability to modernize and improve the quality of the facilities used by Guardsmen nationwide?

Answer. The ARNG and its facilities will be adversely affected if the MILCON funds decrease in future years, as of today, 40 percent of the ARNG's 26,000 facilities are more than 50 years old in the States, Territories, and District of Columbia. Assuming current projected MILCON funding levels, the ARNG will replace less than 1 percent of these aging facilities each year. The result is an ARNG force supported by rapidly aging and outdated facilities that are inadequate to support operation readiness, and, because these facilities are not energy efficient, the structures are far more expensive to maintain.

Decreased MILCON funding in future years will also adversely affect the ANG's ability to modernize and improve the quality of facilities used by Guardsmen. The ANG MILCON requirements are considered by the Air Force based on mission requirements and the merits of each project, and then ranked in priority with all Air Force and Air Force Reserve submissions. Each year the Air Force develops a total-force (ANG, Active Duty, and Air Force Reserve) prioritized list of new mission bed-down project requirements to address the needs for missions being changed, and a prioritized list of current mission recapitalization project requirements to address needs of existing missions with aging or degraded facilities.

If future conditions fiscally constrain the Air Force MILCON program, fewer projects can be funded. A constrained MILCON program may only allow the Air Force to fund "must do" projects to bring new weapons systems on line, which may force difficult choices to defer current mission requirements. Should this lead to further constraints on the ANG MILCON funding, the ANG will continue to apply available sustainment, restoration, and modernization funds to existing facilities in order to keep the ANG missions viable as long as possible.

Question. Is there a backlog of MILCON projects that need to be addressed? How large is it in cost?

Answer. Yes, the Army ISR reflects a \$28.2 billion backlog in MILCON. Today, 40 percent of the ARNG's 26,000 facilities are more than 50 years old. Many of these older ANG facilities meet neither current anti-terrorism/force protection requirements, nor demographic shifts in population, and current square footage deficits have a direct effect on ANG mission readiness.

The ANG submitted a fiscal year 2013–2016 Future Years Defense Program (FYDP) with requirements for major construction, unspecified minor military construction, and planning and design totaling more than \$538 million. In addition, subject to the provisions of title 10, Section 10–543, the ANG submitted to Congress a prioritized list of more than \$163 million in requirements that could be included in the FYDP, should additional capacity be provided through congressional action.

These two prioritized lists of requirements, when combined, would exceed \$700 million; thus, the ANG MILCON backlog of requirements is at least this large.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

ARMY NATIONAL GUARD DIRECTOR

Question. General McKinley, which is more important to the National Guard Bureau (NGB) and the effective operation of the Army Guard: getting a Director of the Army Guard nominated and confirmed, or getting a three star Vice Chief position for the Bureau?

Answer. The most immediate need is for a Director of the Army National Guard (ARNG) to be confirmed as soon as possible. The position has been encumbered by an Acting Director (two-star) for more than 2 years, and a permanent three-star is needed in order for ARNG equities to be appropriately represented at the highest levels of the Army. At the same time, converting and upgrading the current Director, NGB Joint Staff billet to a three-star Vice Chief, the NGB is imperative. The establishment of the NGB as a Joint Activity of DOD and elevation of the Chief, the NGB to a four-star in November 2008 added significant new roles and responsibilities. The commensurate increased requirements within Joint decisionmaking forums, all requiring three- or four-star level participants, drive the re-establishment of the Vice Chief, NGB position.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. What impact have National Guard counter-drug operations had on drug production? Why had this funding not been previously included in the National Guard's budget request? What steps does the National Guard Bureau (NGB) intend to take to keep these operations going in the future?

Answer. In fiscal year 2010, the National Guard Counterdrug Program (NG CDP) assisted law enforcement in eradicating more than 10.1 million marijuana plants across the Nation. Of those, more than 7.6 million (or 75 percent) marijuana plants were eradicated in the marijuana seven States (Hawaii, Washington, Oregon, California, West Virginia, Tennessee, and Kentucky).

Each year, funding for the NG CDP is included in the President's budget request. Funding has been requested in the Program Objective Memorandum process to include additional unfunded requirements throughout the Future Years Defense Program (FYDP).

Question. I am told that the National Guard will allocate proposed fiscal year 2012 counterdrug funding to States through a "threat-based model" formula. What facts and criteria were crafted for this model to be based on? Given that Kentucky consistently ranks as one of the top three States for marijuana production, where does Kentucky rank, according to this formula, in terms of States with serious drug threats? What will be the percent increase or decrease in funding for Kentucky compared to the fiscal year 2011 funding level? What rationale does the NGB have for this change in funding for Kentucky?

Answer. The NG CDP is employing a new Threat Based Reduction Model (TBRM). This model uses an objective, threat based resourcing model that provides the Governors funding commensurate with their threat level yet flexible enough from year to year to adjust resourcing to meet emerging threats and the needs of our stakeholders and customers (States, law enforcement agencies, and community-based organizations)

To properly identify the threat for each State, six separate vulnerability categories, or clusters, were identified that quantified the threat. These clusters align with the established National Drug Intelligence Center and NG CDP State Plan identification of threat criteria. These areas are: production, distribution, transportation, abuse, illicit finance and a catch-all cluster called related data. These areas are defined below:

—*Production.*—Production vulnerabilities include producing crack cocaine from powder, growing marijuana both indoor and outdoor, and methamphetamine laboratories. These identify production trends associated with drug-trafficking organization (DTO) or criminal gangs.

—*Distribution.*—Distribution vulnerabilities include a specific DTO or criminal gang and methods of distribution such as an illicit Internet pharmacy.

—*Transportation.*—Transportation vulnerabilities include major highways, ports, airports, points of entry, borders, offshore locations, corridors passing from one State to another State, or a High Intensity Drug Task Area.

- Abuse.*—Drug abuse vulnerabilities include sociological impact and consumption amounts by demographics.
- Illicit Finance.*—Illicit finance includes common money laundering techniques such as the use of digital currency over the Internet, use of foreign banks or wire transmitters.
- Related Data.*—Those variables that do not fit into the above categories yet still have impact and require inclusion. These include interdiction, population and other contributing factors that are not accounted for in the State plan process.

Abuse cluster	Distribution cluster	Illicit finance cluster
Substance abuse treatment admissions (Ages 12–17).	Number of cities reporting a Mexican DTO Presence.	Number of currency seizure incidents at ports of entry or on internal highways
Illicit drug use rates in the past month	Gang members per capita	Number of SARS money laundering cases
Illicit drug dependence in the past year .....	.....	Amount of currency seized at land ports of entry or on internal highways
Substance abuse treatment admissions (not including alcohol) (all ages). Drug abuse violations. Rates of abuse for cocaine, heroin, marijuana, and methamphetamine. Prescription drug abuse.		

The threat input from State counterdrug coordinators and Interagency partners is ongoing. The results of the model will not be known until mid-June at that time determinations for individual States will be made.

The rationale comes from both Office of National Drug Control Policy (ONDCP) and the Deputy Assistant Secretary of Defense of Counternarcotics (DASD/CN) As of May 1, 2007, the ONDCP directed “all national drug control programs to have a performance reporting program as an integral part of the agency’s budget and management process.”

The NG CDP’s TBRM is the culmination of a 3-year effort to implement a more objective, threat-based methodology for determining overall threat levels within the States to better apportion individual State program appropriations. The ultimate objective is to allocate resources against the threat for the purpose of achieving clear outcomes under the National Security Strategy, National Drug Control Strategy and the Department of Defense Counternarcotics & Global Threats Strategy.

If Kentucky’s funding is reduced, it will be threat based and be supported by the customer’s that request support in Kentucky, as well as supporting objectives and goals outlined in DASD/CN> and ONDCP strategies.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL HARRY M. WYATT III

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

FIREFIGHTING SUPPORT

Question. As you may know Lieutenant General Wyatt, the U.S. Forest Service (USFS) currently only has access to 19 firefighting aircraft in addition to your 8 planes. These planes are old, and they are all nearing the end of their operational service life. In order to make up this shortfall, some have proposed expanding the Air National Guard’s (ANG) involvement in the firefighting mission.

What is the status of the effort to obtain joint-use C-130J’s to supplement the Guard’s needs as well as the aerial firefighting needs of the USFS?

Answer. The ANG is currently working with the Department of Agriculture and the Department of the Interior to examine how this can be accomplished. The ANG continues to work with the DOD on completion of the report on the joint use of Federal forest firefighting assets and C-130 firefighting capability, as required by the Fiscal Year 2010 Defense Appropriations Bill. In addition, the ANG is examining the use of a ninth Modular Airborne Fire Fighting System and the best location to use that equipment. The pending RAND Studying (commissioned by the USFS to look at the possible purchase of additional C-130J’s) will also help define the future strategy.

Question. If additional planes were acquired, would the arrangement allow them to respond to a wildfire at a moment’s notice? Would there be restrictions on the

use of the planes that prohibit them from being used to perform initial wildfire attack?

Answer. Yes. If deliberate planning is used, proper scheduling is defined, and an appropriated budget in place. There is no impediment to having our crews perform initial attack. The crews simply need to be properly trained and certified by the USFS.

Question. If additional planes were acquired, would the planes be available for the duration of the fire season—between June and November in California—or would there be other demands that would render the planes unavailable for extended periods of time?

Answer. There will always need to be a balance between the war-time mission and our domestic operations responsibility. Through proper scheduling of aircraft, aircrew, and maintenance personnel, aircraft and crews would actually be more available than they are currently to the State of California and other States.

QUESTIONS SUBMITTED BY SENATOR HERB KOHL

Question. Recently, the Air Force and National Guard Bureau (NGB) announced a decision to reduce the Primary Aircraft Authorization (PAA) at Truax Field in Madison, Wisconsin from 18 to 15 F-16 fighters. I understand that this was part of a larger reduction in the PAA for F-16 fighters, which is being implemented over several years at many bases. According to General Schwartz, this decision was made early in 2006 as part of the President's budget for fiscal year 2008, and the Wisconsin Air National Guard was notified in December 2010 about this decision.

When was the Air National Guard (ANG) notified of this decision? If the decision was made several years ago, why were the leaders in the Wisconsin ANG notified only recently?

Answer. The decision to reduce the PAA at Truax Field was made early in 2006 in conjunction with the ANG as part of the fiscal year 2008 President's budget. Due to the restrictions placed on release of information contained in the President's budget, the Air Force provides a force structure announcement in the fiscal year prior to implementation. The NGB provides a more specific announcement to the Adjutants General following the Air Force announcement. However, in this case the leadership of the Wisconsin ANG was informed of this action in December 2010 by the Director, the ANG, approximately 5 months prior to the planned official force structure announcement.

Question. Your testimony stressed the importance of maintaining the readiness of the ANG to be an operational partner of the Active Duty Air Force.

Will the readiness of the fighter wing at Truax Field be impacted by the loss of flying hours from the reduction of three F-16 fighters in their primary aircraft authorization?

Answer. Yes, the reduction of 3 PAA of Block 30 aircraft, resulting in 15 PAA incurs more risk by the Wisconsin ANG, due to the decrease in manpower and the loss of 720 flying hours. Due to the decrease of PAA, the unit will need to eliminate one full-time maintenance position and 76 part-time maintenance positions. Furthermore, the 115th Fighter Wing is an Air Sovereignty Alert (ASA) unit with an Air Expeditionary Force (AEF) rotational requirement. When mobilized for their AEF rotation, they are required to keep no less than ten Active Guard/Reserve pilots at home station to cover the alert mission, which is not possible to accomplish while supporting the AEF. Reduction from 18-15 PAA also directly impacts ability to support AEF. Six jets must remain behind plus associated support equipment for ASA commitment, leaving only nine jets remaining for AEF support.

Question. General Schwartz stated that the reduction of F-16 fighters in the ANG's primary aircraft authorization "was a deliberate decision to accept near term risk while bridging to a fifth generation fleet."

As the Air Force transitions to a fifth-generation fleet, does the ANG plan to deliver fifth generation fighters to Truax Field?

Answer. Burlington, Vermont has been selected as the preferred alternative for the first ANG F-35 location. Future ANG F-35 bed down locations have not yet been determined. While the ANG realizes the importance of future F-35 basing in the ANG, including Truax Field, analysis and responsibility for F-35 basing decisions resides with the Air Force's Executive Steering Group for Strategic Basing (ESG-SB). The ESG-SB will recommend F-35 basing candidates, including ANG units, to the Secretary of the Air Force and Chief of Staff of the Air Force for final selection, pending environmental analysis.

QUESTION SUBMITTED BY SENATOR LISA MURKOWSKI

168TH AIR REFUELING WING COMMUNICATIONS FACILITY

Question. The project is not in the administration's fiscal year 2012 request. Is the Air Force aware of the urgently needed repairs to the 168th Air Refueling Wing's Communications Facility and, if so, when would we expect to see funds requested?

Answer. The Air National Guard (ANG) is aware of the proposed project to add to and alter the communications building in the ANG area of Eielson Air Force Base. At the request of the leadership of the Alaska ANG, the project was submitted to the Congress with ANG's fiscal year 2010, fiscal year 2011, and fiscal year 2012 President's budget justification materials as a requirement in the Future Year Defense Program. Other requirements of higher priority have been placed in the President's budget ahead of this project, and the Congress has not accelerated the project from future years into a current budget. Considering the continuing requirement, senior leaders from the ANG Readiness Center visited the site, examined the facility, and proposed a way forward to accommodate significant portions of the mission within available resources. The ANG will propose an unspecified minor military construction project to satisfy facility size shortfalls, and fund a sustainment, restoration, and modernization companion renovation of the existing facility to provide a safe, capable communications facility for the Alaska ANG at Eielson AFB in fiscal year 2012.

QUESTIONS SUBMITTED TO MAJOR GENERAL RAYMOND W. CARPENTER

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

NATIONAL GUARD SOUTHWEST BORDER MISSION

Question. General Carpenter and General Wyatt, can you please update the subcommittee on the Guard's efforts on the Southwest Border? The original mission was scheduled to be completed by the end of June 2011. Is this still on track?

Answer. Since the National Guard reached full operating capability on October 1, 2010, National Guard forces have contributed to more than 17,549 apprehensions and seizures of more than 52,000 pounds of marijuana on the Southwest Border. The National Guard's presence on the Southwest Border has made a measurable difference in curbing the thousands of weapons and \$19 billion that are estimated to flow into Mexico annually. The National Guard has been actively coordinating with CBP and ICE and the 1,200 National Guardsmen from four States (California, Arizona, New Mexico, Texas) provided criminal investigative analysts and Entry Identification Teams in support of the Customs and Border Patrol along the Southwest Border. The Southwest Border mission will end on September 30, 2011.

Question. Guardsmen were supposed to begin withdrawing from the border in May 2011. Has this drawdown begun as planned?

Answer. The State drawdown plans have been adjusted so that the main drawdown will not begin until after September 1, 2011, with a rapid drawdown instead of the gradual 4-month drawdown that was originally planned. The mission will end on September 30, 2011 per the request of the President.

SUICIDE RATES

Question. General Carpenter, the Army Guard's suicide rate increased an additional 13 percent last year after a 75 percent jump in 2009. To respond to the increasing rate of suicides, the Army has added mental health professionals and launched a suicide prevention education program. Do you think these programs effectively target the Guard and address the wellness of Guard members beginning with recruitment and continuing throughout their entire service in the Guard?

Answer. Note: the Army National Guard's (ARNG) suicide rate increased 81 percent last year, after a 3 percent jump in 2009.

The additional, Army-contracted mental health professionals are extremely limited in what they may provide to ARNG soldiers. An ARNG soldier on title 10 Active Duty status is able to receive treatment at a military treatment facility, Veterans Administration (VA) facilities, and Military Medical Support Offices in remote areas. However, an ARNG soldier on title 32 status (participating in Inactive Duty for Training—traditional, once-a-month, "drill status"—or Annual Training (AT)) may only receive prevention, crisis intervention, and referral services from Behavioral Health Officers (BHO). In addition, BHOs are typically only accessible during unit IDTs and ATs. If the ARNG Soldier neither qualifies for VA coverage, nor holds

private health insurance, then the BHO may attempt to assist the ARNG soldier in finding pro-bono treatment. The BHOs cannot develop a treatment plan with or for the ARNG soldier.

Much like the Active Army, services and treatment for behavioral health issues of geographically dispersed soldiers are critical to allaying the suicide rate, particularly for the many ARNG soldiers who lack traditional health insurance coverage.

To alleviate the strain on the force, the ARNG recommends the following minimum actions:

- Army provides emergency behavioral healthcare services to uninsured and underinsured servicemembers, regardless of duty status;
- The ARNG is authorized full-time, uniformed behavioral health personnel; and
- Add and embed behavioral health professionals to high-risk units, units who have experienced suicides, soldiers killed in action, or intense/prolonged combat.

Question. General Wyatt, are you facing anything similar in the Air Guard with respect to suicide?

Answer. After a low-suicide rate in 2008, we experienced a 65 percent increase in 2009 and another 26 percent increase in 2010 for the highest rate we've had since tracking began. This year, we have lost nine members to suicide to date, compared to 9 of 19 at this time (June 15) last year. We have implemented a number of Air National Guard (ANG) initiatives and are continuing to build our Wingman Culture. Our primary fiscal year 2011 initiative is the embedding of Wing Directors of Psychological Health (WDPHs) in our 89 wings. These licensed mental health professionals provide consultation to wing commanders on wing psychological health issues and provide consultation, information, referral, and case management for airmen and their family members in need of assistance. Our Wingman Project provides training, awareness, and outreach to teach warfighters and their families how to identify symptoms of impending suicide and then intervene to save a life. The project provides customized marketing materials for each wing and provides tools accessible to airmen and their family members via a public website. We continue to train members how to assist fellow airmen in distress using the Ask, Care, Escort (ACE) suicide prevention model. We are having two Wingman Days this year, an opportunity for units to stand down and build resilience as a team, a key component in preventing suicide. The ANG suicide prevention booklets are being distributed to every airman. The Deployment Resiliency Assessment began April 1 and will aid in identifying and providing assistance to airmen at risk with an assessment prior to deployment and three follow up assessments. Our frontline supervisors in our high-risk-for-suicide career fields (security forces, communications, intelligence, and recommended for civil engineering) are being trained to identify and assist airmen in distress.

ARMY GUARD EQUIPMENT SHORTFALLS

Question. General Carpenter, in recent years the Army has made significant investments to more adequately resource the Guard and Reserve equipping requirements. The fiscal year 2012 budget request indicates that procurement funding for the Army Guard will decrease significantly from fiscal year 2012 onwards. Do you believe that the Army has adequately budgeted for Guard equipment requirements beyond fiscal year 2012?

Answer. The Army continues to address shortfalls in the ARNG, while striving to modernize ARNG capabilities. The ARNG estimates it needs \$3–\$4 billion in annual programmed funding to maintain interoperability with Army units, sustain current Equipment On-Hand (EOH) levels, and continue modernizing ARNG equipment. Fiscal years 2012–2016 budgets average \$2.4 billion per year for ARNG funding.

Question. General Carpenter, what remaining equipment shortfalls are you most concerned about?

Answer. The Army continues to improve the EOH and modernization levels for the ARNG. At this time, the ARNG's most critical equipment shortfalls are provided in the table below.

ARNG EQUIPMENT SHORTFALLS

System	Justification
General Engineering Equipment	Horizontal/Vertical construction, diving, and firefighting equipment critically under filled. Required for Homeland Defense Response missions.

ARNG EQUIPMENT SHORTFALLS—Continued

System	Justification
Family of Medium Tactical Vehicles (FMTV)	FMTV are replacement vehicles for existing, nondeployable M35 series, and 800/900 series 2.5- and 5-ton trucks in the ARNG fleet.
Shadow Tactical Unmanned Aircraft System (TUAS)	TUAS equipment sets and associated Shadow Crew Trainers are critically required high-value intelligence, surveillance, and reconnaissance assets for support of war-fighting missions across the full spectrum, as well as for homeland emergency support to civil authorities.
Command Posts (Tactical Operations Center & Standardized Integrated Command Post System).	Integrated command posts with Force XXI Battle Command, Brigade & Below continue to represent a critical shortfall for the ARNG.
Chemical/Biological Protective Shelter	Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) collective protective systems are required for Consequence Management Response Force (CCMRF) missions.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

NATIONAL GUARD STRYKER BRIGADE COMBAT TEAM

Question. We in the State of Washington are very interested in adding a Stryker Brigade Combat Team (SBCT) to the ANG.

How would an additional Stryker Brigade be beneficial to the ANG?

Answer. The Army National Guard (ARNG) leadership validates the requirement for an additional Stryker Brigade in our Force Structure, based on a 2009 feasibility study. The ARNG study concluded that converting an existing Brigade Combat Team (BCT) to a Stryker Brigade would provide additional combat power, a more balanced mix of BCTs, and ensure relevancy within the Army Capstone Concept.

A Stryker Brigade in the ARNG would be beneficial for many reasons:

- The addition supports the Army Force Generation model;
- A Stryker Brigade possesses necessary staff structure, facilities, and communications to Command and Control, and facilitate joint and inter-agency interoperability; and
- A Stryker Brigade provides additional capability for Homeland Defense and Federal and State mission support, for example:
 - Consequence Management (CM).
 - Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) events and reconnaissance capability.
 - Domestic All-Hazards Response Team (DART) concept.
 - Engineer and wheeled vehicle capabilities for natural disasters.
 - Rapidly deployable, interstate navigable, and 100 percent mobile command posts to establish or augment a local or regional emergency operations centers.

Requests for a force design update were submitted in November 2009 from several States to Headquarters, Department of the Army (HQDA), and there are no plans to execute a conversion within the ARNG for any additional Stryker Brigades. Total Army Analysis 14–18 examines the feasibility, acceptability, and supportability of resourcing a second Stryker Brigade Combat Team via a holistic review of the Army's BCTs and enabler force requirements. Accordingly, the ARNG will work with HQDA to ensure the Army Operational Force is properly balanced.

The stationing of a second SBCT will occur only after HQDA approval and is based on several factors: readiness for the least cost (to include geographic location, existing infrastructure, and level of modernization), available training areas and capacities, personnel strength, and demonstrated capacity to produce ready formations over time.

Question. What are the prospects of adding a Stryker Brigade to the ARNG in Washington?

Answer. The ARNG leadership validates the requirement for an additional Stryker Brigade in our Force Structure, based on a 2009 feasibility study. The ARNG study concluded that converting an existing BCT to a Stryker Brigade would provide additional combat power, a more balanced mix of BCTs, and ensure relevancy within the Army Capstone Concept.

Requests for a force design update were submitted in November 2009 from several HQDA's, and there are no plans to execute a conversion within the ARNG for any additional Stryker Brigades. Total Army Analysis 14–18 examines the feasibility, acceptability, and supportability of resourcing a second SBCT via a holistic review of the Army's BCTs and enabler force requirements. Accordingly, the ARNG will work with HQDA to ensure the Army Operational Force is properly balanced.

The stationing of a second SBCT will occur only after HQDA approval and is based on several factors: readiness for the least cost (to include geographic location, existing infrastructure, and level of modernization), available training areas and capacities, personnel strength, and demonstrated capacity to produce ready formations over time.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

ARMY GUARD PERMANENT DIRECTOR

Question. General Carpenter, as Acting Director of the Army National Guard (ARNG), part of your responsibility is to be a steward of the position until a permanent director is named. Are there decisions the Army Guard has delayed making due to your 2-year stewardship of the position?

Answer. The twin challenges of having an acting Director and one not being at the three-star level have put the ARNG at a disadvantage from two aspects. First, it has hindered the ability of the organization to formulate and execute a long-term strategic plan and has delayed permanent manning of key positions on the team. The perceptions and realities generated by a Director in "acting" status for an extended period of time are counterproductive. Second, the ARNG has occasionally not had access to meetings and discussions that are limited to three- and four-star generals. This exclusion becomes even more critical as contentious budget deliberations occur in the months ahead.

QUESTION SUBMITTED BY SENATOR TIM JOHNSON

Question. With the increased reliance on the National Guard for operational mission support and the overwhelming need to improve facilities for training, are you receiving the appropriate support, despite eliminating earmarks, with getting construction projects onto the Future Years Defense Program (FYDP)?

Answer. The Army National Guard (ARNG) and its facilities will be adversely affected if Military Construction (MILCON) funds decrease in future years, as of today, 40 percent of the ARNG's 26,000 facilities are more than 50 years old in the States, Territories, and District of Columbia. Assuming current projected MILCON funding levels, the ARNG will replace less than 1 percent of these aging facilities each year. Many of these older Army National Guard facilities meet neither current Anti-Terrorism/Force Protection requirements, nor demographic shifts in population, and current square footage deficits have a direct effect on the ARNG mission readiness. The result is an ARNG force supported by rapidly aging and outdated facilities that are inadequate to support operation readiness, and, because these facilities are not energy efficient, the structures are far more expensive to maintain.

The Army Installation Status Report (ISR) currently reflects a \$28.2 billion backlog in MILCON.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JACK STULTZ

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

OPERATIONAL RESERVE'S FUTURE ROLE

Question. General Stultz, the Army Reserve continues to transition from a strategic to an operational Reserve. What are the biggest challenges still remaining in making this transition, and what role do you see the operational Reserve playing in the near future as the wars in Iraq and Afghanistan wind down?

General Stultz, do you believe the Army is adequately resourcing the Reserve to make this transition?

Answer. Actually, the Army Reserve is now, and for the foreseeable future will continue to be, an operational force. Our soldiers and units are available to be mobilized worldwide in support of contingency operations and at home to respond to terrorism or threats of terrorism. We also have significant capabilities that can respond

to natural and manmade disasters; however, our ability to do this readily is challenged by limited statutory call-up authority, which would like to see updated. We are planning on serving around the world with security cooperation and similar military engagement missions; however, here, too, updated statutory authority to access the Army Reserve and the other Reserve Component is needed.

While the Army currently possesses an operational Reserve capability, we have yet to see an adequate investment of funding applied to our core manning and training base programs (which remain funded at the statutory minimum of approximately 39 days of training per year, throughout the force). All capabilities to train our operational force to a "company level" of proficiency have been realized through use of Overseas Contingency Operations (OCO) funding. As the OCO funding dwindles and eventually goes away, we are concerned that our operational capability will be lost when our primary source of funding is no longer available. The Army made a huge step toward formally recognizing this capability when the senior leadership recognized an increase to Army Reserve critical requirements in key manning and training base budget accounts; however, to this point the Army has elected to re-source these additional requirements through OCO funding.

ARMY RESERVE SUICIDE RATES

Question. General Stultz, the Army Reserve's suicide rate increased 42 percent in 2010 with 50 reservists taking their own lives. Most of these suicides occurred when the soldier was in civilian, rather than military, status. How is the Army Reserve responding to this trend and addressing the mental health of soldiers beginning with recruitment and continuing throughout their entire service in the Reserves?

General Stultz, is the Army Reserve properly training recruiters to evaluate not only the physical but also the mental fitness of new recruits?

Answer. Recruiters are not responsible for establishing an applicant's physical or mental qualification for military service and receive no training specific to evaluating mental suitability. Potential Army recruits are required to complete a ten page pre-qualification questionnaire, which asks an individual about their personal, educational, moral, physical, military, financial, and employment history. Recruiters use the applicant's voluntarily disclosed information to conduct preliminary screening to determine whether the applicant meets minimum qualification standards for the Army. If minimum qualifications are met, the next phase of the process is to determine whether the applicant meets physical and mental health standards; this phase of the recruitment process is accomplished at a Military Entrance Processing Stations (MEPS).

The MEPS plays a vital role in maintaining the Nation's All Volunteer Force by ensuring that each new member of the Armed Forces meets mental, moral and medical standards required by the Department of Defense (DOD) and the military services. In accordance with policies and regulations governed by the Military Entrance Processing Command (MEPCOM), medically trained personnel use a combination of tools including but not limited to the Report of Medical History (DOD form 2807), Supplementary Health Questionnaire and one-on-one interface with medical professionals, to render a determination about an applicant's suitability for service. Based on the outcome of a series of evaluations conducted at MEPS, applicants may or may not be permitted to proceed with the recruitment process depending on the overall assessment of both the recruiter and the medical community.

Numerous initiatives are underway to address strengthening the recruiting process both through the VCSA's Health Promotion/Risk Reduction/Suicide Prevention Task Force which has recommended to re-scope Service entrance standards to evaluate candidates on their current/potential resiliency and maturity. An additional Assistant Secretary of the Army for Manpower & Reserve Affairs (ASA (M&RA)) work group is working with Accessions Command to develop tools to better identify candidates who may have pre-existing mental health problems. The United States Army Reserve has been involved and is supportive of these initiatives.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve Components have transitioned from a strategic to an operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role. What remaining equipment shortfalls most concern you, and how do these shortfalls affect your ability to train and deploy?

Gentlemen, how much additional funding would you need to fully equip your component?

Answer. The Army Reserve equipment top equipment shortfalls are: Construction Equipment more specifically the Heavy Scraper; the Command Post Systems and

Integration (SICPS); the Family of Medium Tactical Vehicles (FMTV), a replacement for the nonarmored HMMWV Ambulance and Simulators for training.

The Army Reserve is able to train and deploy our units but is dependent on the use of the training sets and the availability of Theater Provide Equipment (TPE). However, the shortfall of this equipment limits our ability to support full spectrum operations.

The Army Reserve estimates it would cost \$8.9 billion to modernize 100 percent of the current Army Reserve equipment requirements.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT (NGREA)

Question. Gentlemen, this Committee recognizes the importance of providing the Reserve Components funding for necessary new equipment and modernizations and has consistently done so through the the NGREA. Please describe the importance of this additional funding to providing critical equipment for the Reserves.

Historically, the Department has had some trouble in obligating NGREA funds in a timely manner. Please provide an update on current obligation rates.

Answer. NGREA is a valuable tool that enables the Army Reserve to procure un-resourced modernized equipment required to train and equip our soldiers and units in order to support Army Reserve missions for the Nation.

The Army Reserve has obligate 100 percent of its NGREA within the 3-year time period. The NGREA obligation rate for fiscal year 2008 was 100 percent. As of May 11, the NGREA obligation rate for fiscal year 2009 is 94 percent and for fiscal year 2010 is 93 percent. We do not anticipate any issues with obligating 100 percent by the end of the respective fiscal years. The Army Reserve has not received fiscal year 2011 funds yet.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

SUICIDE

Question. The Army Reserve experienced 50 suicides in the last year—an increase of 16 from the year before. I find this large increase to be disturbing and want to know more about what is being done upon the servicemember's return.

Post-deployment, where do Army Reserves members and their family members turn for support when the member is not on Active Duty status?

What programs do you feel will have the biggest impact and will be the most successful to mitigate future Army Reserve suicides?

Answer. In addition to the support provided by unit commanders and their staff, Army Reserve Soldiers and their Families, not on Active Duty have several avenues they can turn to for post-deployment behavioral health support.

The Army Reserve will continue to grow its Army Strong Community Centers (ASCCs). These centers were created to assist geographically dispersed soldiers and their families who may not have ready access to the services typically available on a military installation. The ASCC (currently operating as a Pilot Program at four locations), connects those Families with support resources in their own community. The ASCCs provide access, support and resources commensurate with what they would expect to find on a military installation.

Soldiers and families members can also turn to their regional Directors of Psychological Health (DPH) who are located within one of four Army Reserve Regional Support Commands. In addition to supporting soldiers and families, these directorates were tasked to develop the networks within their communities that are essential in facilitating referrals to care providers, volunteer groups and support services that are critical components in delivering care, counseling and support to soldiers and families.

On redeployment, soldiers and families attend the Army Reserve Yellow Ribbon Program (YRP) where information is provided to facilitate access to services and support agencies for their health and well-being, and Families attend classes on suicide prevention. The Army Reserve YRP executes its mission by developing skills in each family member and soldier to assure they are prepared and able to cope with the difficulties of extended separation and deployment—helping families network together, connect with each other and their unit/command leadership and family programs' staff.

Military OneSource offers nonmedical counseling options to Active Duty, Guard, and Reserve members and their families. The counseling services are designed to provide help for soldiers and families with short-term issues such as adjustment to situational stressors, stress management, decisionmaking. Military OneSource also offers post-deployment resource for soldiers and families is communication, grief,

family issues, parenting-skills issues and short-term, solution-focused financial counseling. All of these services are offered at no cost to the soldiers and their family members.

Currently the two programs that will have the biggest impact on reducing suicides in the Army Reserve are the Suicide Prevention Programs and the Comprehensive Soldier Fitness program.

The Army Reserve's Suicide Prevention program is based around four pillars. These pillars involve educating the entire force; reducing the stigma associated with asking for help with behavioral/mental health issues; providing resources to geographically dispersed personnel; and involving Families in suicide prevention training. Examples of these efforts include the Ask, Care, and Escort (ACE) training for Soldiers and leaders; applied suicide intervention skills training (ASIST); battle buddy system with suicide prevention emphasis; and additional instructional material on suicide prevention at the Army Reserve's Pre-Command Courses and Yellow Ribbon and Strong Bonds events.

One program that will undoubtedly have a major impact on mitigating future Army Reserve Soldier suicides is the Comprehensive Soldier Fitness (CSF) Program. The CSF program initiative uses individual assessments, tailored virtual training, class room training and embedded experts to provide the critical resiliency skills our soldiers, family members and Army civilians need in today's Army. The program tools include the Global Assessment Tool (GAT); Training and distributing Master Resiliency Trainers (MRT) and leveraging its Human Capital Core Enterprise (HCCE) structure to support soldiers health and wellness needs. For example, the MRTs will deliver vital resiliency and coping skills which ultimately enhances soldiers' and their families' ability to manage/balance the daily challenges of family, social and professional obligations.

QUESTIONS SUBMITTED TO VICE ADMIRAL DIRK DEBBINK

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

NAVY RESERVE—OFFICER RECRUITING

Question. Vice Admiral Debbink, over the last several years the Navy Reserve has struggled with officer recruiting and is still facing a serious officer shortage due to years of low recruiting. In 2010, the Navy followed the lead of the other Services and began commissioning some Naval Reserve Officer Training Corps (NROTC) accessions directly into the Reserve Component.

Do you think this policy change will be enough to reduce the officer shortage within the Reserves?

Answer. The policy change, which will commission Navy Reserve Officer Training Corps accessions into the Individual Ready Reserve (IRR) will not address shortages in the Selected Reserve (SELRES), and was not intended to do so. These newly commissioned officers, who do not possess the requisite skills, experience or seniority required in SELRES communities experiencing shortfalls, will remain in the IRR in non-pay, non-drill status until their training commences, or the beginning of the next fiscal year.

Question. What additional measures are being considered by the Navy Reserve to address remaining officer shortages?

Answer. To address challenges in the Reserve officer mission, we have:

- Established targeted bonuses and incentives to increase Reserve affiliation and retention in specific officer communities based on relative need, while an officer retention bonus is currently being considered by OSD. In fiscal year 2011, an affiliation bonus for prior service officers, an accession bonus for direct commission officers, and health professional critical-skill shortage incentives were offered to SELRES officers.
- Implemented a mobilization deferment policy that stipulates that an officer who affiliates within 6 months of release from Active Duty is guaranteed a 2-year mobilization deferment, while an officer who affiliates within 7–12 months receives a 1-year deferment.
- Increased the number of officers accessed through direct commission (845 in fiscal year 2010 to 990 in fiscal year 2011) and the number of officer communities that have a direct commission officer program from 19 to 25.
- Established a Career Transition Office (CTO) to increase Reserve affiliation rates by educating members leaving Active Duty about the benefits of continuing their Navy careers in the Navy Reserve and to streamline the transition process. Since the CTO was established in May 2009, we have increased, from

22 percent to 47 percent, the percentage of officers affiliating in the Reserve Component directly upon leaving Active Duty. Affiliation rates in fiscal year 2011 to date have exceeded 50 percent, and we have increased from 25 percent to 99.8 percent the percentage of officers leaving Active Duty who have been educated about Reserve opportunities. The CTO has reduced average AC to RC transition time from more than a month to 5 days, resulting in higher overall affiliation rates and fewer pay problems.

—Instituted targeted leadership development and Interactive Customer Evaluation (ICE) at Reserve Forces Command to identify problem areas and improve the Navy drilling Reserve experience to increase retention.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve Components have transitioned from a strategic to an operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role.

What remaining equipment shortfalls most concern you, and how do these shortfalls affect your ability to train and deploy?

Answer. The Navy Reserve equipment shortfalls are published in Table 8 of the National Guard and Reserve Equipment Report. The Navy Reserve’s top equipment priorities continue to be aircraft procurement and the outfitting of the Navy Expeditionary Combat Command.

Question. How much additional funding would you need to fully equip your component?

Answer. The budget as submitted by the President will allow the Navy Reserve to carry out its mission as part of Navy’s Total Force.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT (NGREA)

Question. Gentlemen, this Committee recognizes the importance of providing the Reserve Components funding for necessary new equipment and modernizations and has consistently done so through the NGREA.

Please describe the importance of this additional funding to providing critical equipment for the Reserves.

Answer. The NGREA has been a high-impact critical capital infusion for the Navy Reserve since its inception in 1981, but has taken on added importance in recent years with our transition to providing even more operational capabilities to the Navy and Marine Corps team, and joint forces. The appropriation has been instrumental in resourcing the capabilities of the Navy Expeditionary Combat Command (NECC) and has bolstered the recapitalization of critical Reserve Component (RC) equipment in both Naval Aviation and the Surface Navy. In fiscal year 2010, the Navy Reserve executed NGREA funding to equip the Maritime Expeditionary Security Force (MESF), Explosive Ordnance Disposal (EOD), Naval Construction Force (NCF), Navy Expeditionary Logistics Support Group (NAVELSG), Naval Aviation and Surface Warfare units with: tactical and armored vehicles, civil engineering equipment, communications equipment, table of allowance items, aviation modernization upgrades and rigid hull inflatable boats.

Question. Historically, the Department has had some trouble in obligating NGREA funds in a timely manner. Please provide an update on current obligation rates.

Answer. Below are the current obligation rates for the three active NGREA appropriation years:

[Dollars in millions]

	Final year	2nd year	1st year	Cong. Adds
Fiscal year 2009:				
Appropriated	\$51.9	\$51.9	\$51.9	\$25
Percent obligated	¹ 94.3	87.3	17.4	² 89.4
Fiscal year 2010:				
Appropriated .....	.....	\$55	\$55	.....
Percent obligated .....	.....	³ 65.5	37.1	.....

[Dollars in millions]

	Final year	2nd year	1st year	Cong. Adds
Fiscal year 2011:				
Appropriated	\$70	.....
Percent obligated	(⁴)	.....

¹ The \$3.2 million which is currently unobligated is for an F-5 Trainer upgrade and will be obligated before the end of the fiscal year.

² The \$2.6 million which is currently unobligated is for the C-130 Electronic Prop Control System and will be obligated before the end of the fiscal year.

³ The \$19 million which is currently unobligated is for a C-130 Simulator upgrade and for some NCF equipment. Navy is on track to have all \$55 obligated by the end of the 3rd year.

⁴ The \$70 million has not yet been received by OSD.

OPERATIONAL RESERVE'S FUTURE ROLE

Question. Gentlemen, the Reserve Components continue to transition from a strategic to an operational Reserve.

What are the biggest challenges still remaining in making this transition, and what role do you see the operational Reserve playing in the near future as the wars in Iraq and Afghanistan wind down?

Answer. The greatest challenge will be to communicate a common understanding of the transition to ensure we do not inadvertently overburden our Guard and Reserve Components. The Navy Reserve provides strategic depth and delivers operational capability. For the sake of the Nation and to ensure our long-term viability, the Reserve Force needs to be able to perform both these missions. If we "operationalize" the entire Navy Reserve, it becomes unsustainable from a manpower and fiscal perspective. At any given time, approximately two-thirds of our Navy Reserve is providing strategic depth, while approximately one-third is in a more operational posture. To be able to deliver operational capabilities in the future, the other challenge in this period of transition is to provide timely access to Reserve Force personnel during periods of relative geopolitical stability. In an era in which emerging global contingencies, which do not warrant a congressional or Presidential declaration of war or national emergency, the Department of Defense lacks the flexibility to access RC members to participate in total force solutions to meet rapidly evolving requirements. Section 513 of the President's National Defense Authorization Request for fiscal year 2012, includes a provision which, if enacted, would amend title 10, United States Code, section 12304 to:

- Enhance Total Force capacity by allowing RC units and members to be included in long-range planning processes;
- Provide the opportunity to enhance dwell/ITEMPO to desired levels through increased capacity provided by RC units and members;
- Enhance the overall readiness of RC units with high-demand skill sets, ensuring a more robust total force response capacity for future contingency operations;
- Provide predictability of future routine military obligations for individual Reserve members, their families and their employers; and
- Provide a mechanism to access RC members for routine requirements assured of the various protections currently granted for other involuntary duty assignments.

I urge Congress to enact this important provision, to facilitate transition to an operational Reserve, as the National Defense Authorization Act is taken up in the weeks ahead.

Question. Do you believe the Department is adequately resourcing the Reserves to make this transition?

Answer. The Department is adequately resourcing the Navy Reserve as we continue transitioning from a strategic to an operational Reserve.

QUESTIONS SUBMITTED TO MAJOR GENERAL DARRELL L. MOORE

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

MARINE CORPS RESERVE—STRAIN ON THE FORCE

Question. General Moore, the Marine Corps Reserve has maintained a high-operational tempo with nearly 60,000 marine reservists activated since 2001 and more than 20,000 marine reservists deployed more than once.

While the operational tempo is beginning to slow, how has the Marine Corps Reserve been keeping track of the welfare and mental health of deactivated reservists who are returning from deployments?

Answer. Our marines, sailors, and their families remain our highest priority. Accordingly, we are keenly attentive to their health and resiliency, especially for our reservists who are deactivated after returning home from theater security cooperation and overseas contingency operation deployments. There are three current initiatives that specifically support our returning warriors: medical intervention, the Psychological Health Outreach Program (PHOP), and incorporating Veterans Administration (VA) OIF/OEF Group support.

First, returning marines who need prompt intervention are retained on medical hold (MedHold) or have Line of Duty (LOD) packages opened. These marines or sailors are then tracked until they are returned to full duty or have their cases referred to the Disability Evaluation System for final adjudication.

The second initiative we implemented is the PHOP, which provides psychological health professionals at six regional Marine Forces Reserve sites to screen and refer Selected Marine Corps Reserve personnel for behavioral health services. Marines who self-refer or are referred to the program can be screened for behavioral health issues, appropriately referred, and provided a road to recovery. Outreach members follow each referred reservist through to the resolution of that member's case, whether it is return to Active Reserve status or resolution through the Disability Evaluation System.

Our third initiative is the inclusion of VA OIF/OEF Groups at the local VA hospitals and clinics that support individual returning marines. These groups meet those returning marines at the Reserve-Intermediate Location (R-ILOC), enroll them in the VA healthcare system and provide them a medical home at the VA. The goal is to encourage every returning marine to be seen by the OIF/OEF Group at his or her local VA for a comprehensive evaluation as soon as possible after returning home and to have a primary care manager assigned.

Our strategy is for the Medical Department Representative at the Home Training Center, the Psychological Health Outreach Coordinator, the VA OIF/OEF primary care manager, and the Wounded Warrior Regiment to work as a team to ensure that every returning marine is provided the care he or she needs. Every returning marine with a problem will be tracked to completion while we ensure he or she has a medical home at the VA.

Question. General Moore, do you think the Marine Corps should follow the Army's lead and begin tracking Reserve Component suicides separately from the Active Component?

Answer. The Marine Corps tracks and reports suicides of Reserve Component marines who are in an Active status in accordance with Department of Defense (DOD) policy. In January 2009, the Marine Corps began tracking suicides of Selected Reserve Marines who are not in an Active status, which is also consistent with DOD policy.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve Components have transitioned from a strategic to an operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role.

What remaining equipment shortfalls most concern you, and how do these shortfalls affect your ability to train and deploy?

Answer. Current equipping priorities are focused on the modernization of existing capabilities. Since Marine Corps Reserve units deploy and fall in on equipment that is already in theater, it is essential that we continue to maintain our commitment to outfitting the Marine Corps Reserve with the same modernized equipment as the Active Component. This enables our Reserve Forces to be trained to the same standard on the same equipment that they will be using in combat. The top ten shortfalls listed in our fiscal year 2012 National Guard and Reserve Equipment Report fall into three main programs that continue to be our top priorities:

- Light Armored Vehicles (LAV);
- KC-130J refueler aircraft; and
- Logistics Vehicle System Replacement (LVSR).

The first priority is procurement of the few remaining A2-standard modernized LAVs. Through a combination of National Guard & Reserve Equipment Appropriation (NGREA) and baseline dollars, we have been able to close that gap to a shortfall of 18 vehicles. The estimated cost to procure those remaining vehicles is \$50 million.

The second priority is accelerating the transition from the KC-130T to the KC-130J aircraft. The Active Component has completely divested of legacy KC-130Ts and will complete KC-130J fielding in fiscal year 2012. The Reserve KC-130J fielding schedule is programmed to begin in fiscal year 2015 and complete by fiscal year 2029. The additional cost to transition to a KC-130J-only fleet within this Future Years Defense Program (FYDP) is approximately \$2.2B which equates to approximately \$108 million per aircraft (total weapons system cost, which includes support equipment, tools, spares) for 20 aircraft plus \$50 million for two KC-130J Weapons Systems Trainers.

—The Marine Corps has eliminated all formal schooling and the Fleet Replacement Squadron for the KC-130T pilots and reduced the enlisted aircrew requirement from one enlisted crewmember in each of four enlisted aircrew Military Occupational Specialties (MOS) to two enlisted crewmen under one new enlisted aircrew MOS. Additionally, MOS schools are no longer teaching all of the KC-130T maintenance.

—The elimination of all formal schooling and the Fleet Replacement Squadron for the KC-130T pilots along with the reductions in teaching KC-130T maintenance places an extensive on the job training (OJT) burden with the Reserve Component for training associated with the transition/conversion.

—Because the Active Component and sister services have or are currently completing the KC-130J transition, the RC KC-130T's Full Mission Capability rate (FMC)—an individual aircraft's ability to perform 100 percent of the possible missions—continues to decline. Prolonged transition to the KC-130J increases risk for degraded operational capability due to nonavailability of parts as manufacturers discontinue production and civil Communication Navigation Surveillance and Air Traffic Management (CNS/ATM) mandates. A recent KC-130 Program Office (PMA 207) Analysis of KC-130T FMC rates depicts them dropping below acceptable levels before 2020.

The third modernization priority is replacement of the legacy Logistics Vehicle System (LVS) with the LVSR. Using fiscal year 2011 NGREA, we have closed this gap significantly and require about \$8 million to procure 22 vehicles and achieve 100 percent of the required training allowance.

Question. How much additional funding would you need to fully equip your component?

Answer. Excluding the cost to accelerate transition from the KC-130T to the KC-130J, the Marine Corps Reserve's estimated wartime requirement shortfall is \$776 million. Of that amount, \$396 million represents today's best estimate of training allowance.

In order to support and sustain combat operations, the Marine Corps has drawn equipment from many sources to include the Reserve Component. While the actual amount of equipment taken from the Reserve Component training allowance was very small, significant portions of ongoing procurements intended to be fielded to the Reserve Component were redirected to support combat operations that included both Active and Reserve units.

Once the Marine Corps transitions from major combat operations and resets equipment, we expect that many of the current training allowance shortfalls will be filled. Additionally, as the Marine Corps works to define the right mix of ground equipment necessary to transition itself to a "middleweight" force, the character of the shortfall may change further. As this transition progresses, we will continue to focus resource advocacy toward the modernization programs listed above.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT (NGREA)

Question. Gentlemen, this subcommittee recognizes the importance of providing the Reserve Components funding for necessary new equipment and modernizations and has consistently done so through the National Guard and Reserve Equipment Appropriation (NGREA).

Please describe the importance of this additional funding to providing critical equipment for the Reserves.

Answer. For the last several years, the Marine Corps has relied on NGREA to accomplish three primary goals: availability of theater-specific equipment; training improvement; and modernization.

The first goal was to ensure that units and marines preparing for deployment had available to them for training the same theater-specific equipment represented in combat operations. We were able to accomplish this through NGREA purchases such as Rifle Combat Optics and M-4 Carbines, various Counter Intelligence and Human Intelligence packages, and specialized communications and sensor packages.

The second goal was to improve training efficiency, cost effectiveness, and throughput by investing in modeling and simulation programs that related directly to the tactics and equipment being used in theater. One of our most significant investments and most successful example of this is the Virtual Combat Convoy Training System.

The third goal was to invest in modernization programs of record (POR) such as Light Armored Vehicles and aircraft upgrades such as Bright Star FLIR. We expect that in the future NGREA will continue to be used primarily in support of accelerating modernization efforts within the Marine Reserve.

Question. Historically, the Department has had some trouble in obligating NGREA funds in a timely manner. Please provide an update on current obligation rates.

Answer. Fiscal year 2009 NGREA (\$62 million) is currently 91.9 percent obligated. Cost variations and economies provided us with an opportunity to invest in more equipment than was originally planned. The Marine Corps recently received approval to do final NGREA program realignments and is in the process of applying those funds to program lines and contracts for execution. We expect to obtain a 100 percent obligation rate by year end.

Fiscal year 2010 NGREA (\$45 million) is currently 56.8 percent obligated. All but \$300,000 of the total appropriated is being invested in the procurement of LAVs at the A2 standard. LAV procurement occurs in two phases: vehicle manufacture, then installation of Government Furnished Equipment (GFE) at a government site. Delay in funds obligation stems from waiting to order GFE until anticipated delivery of completed vehicles. This process of separating the purchase into two phases provides maximum contracting flexibility and potential order economies. The LAV Program office estimates that fiscal year 2010 NGREA will be 80 percent obligated by the end of this fiscal year and foresees no challenges in reaching 100 percent obligation by the end of fiscal year 2012.

Fiscal year 2011 NGREA spending plan is \$70 million. The Marine Corps is awaiting final plan approval from OSD in order to distribute funds. The portion of our plan that invests in additional LAVs (\$19 million) will be subject to the same contracting strategy as above. The portion of our plan that invests in LVSRs may be able to take advantage of a large scale contract currently being put in place. If the option remains available to us, we should be able to rapidly obligate that portion of the fiscal year 2011 funding.

OPERATIONAL RESERVE'S FUTURE ROLE

Question. Gentlemen, the Reserve Components continue to transition from a strategic to an operational Reserve.

What are the biggest challenges still remaining in making this transition, and what role do you see the operational Reserve playing in the near future as the wars in Iraq and Afghanistan wind down?

Answer. One challenge is ensuring we are able to access our Reserve units for peacetime missions unrelated to overseas contingency operations. Our Reserves are well-suited to perform missions, such as theater security cooperation, which will continue after the wars in Iraq and Afghanistan are over. However, to be cost-effective, we need to be able to access cohesive units rather than cobble together groups of individual volunteers. For this reason, we consider the legislative proposal to revise 10 USC § 12304 to be critical to the success of an operational Reserve.

Question. Do you believe the Department is adequately resourcing the Reserves to make this transition?

Answer. Post OEF, the Marine Corps is committed to retaining and employing an Operational Reserve as part of our Total Force. The exact size and scope has yet to be determined and is likely to fluctuate based on the National Security Strategy and operational tempo. The most significant cost of employing our Reserves as an operational force comes in the form of manpower funding necessary for pay, allowances, and entitlements for reservists when on Active Duty. The Marine Corps will need to prioritize funding for the Operational Reserve among the existing Total Force programs and capabilities within our baseline budget.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL CHARLES E. STENNER, JR.

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

AIR FORCE RESERVE—FORCE GENERATION CENTER

Question. General Stenner, since 2001, more than 60,500 Air Force Reservists have been called to Active Duty. In order to facilitate this high-operational tempo, the Air Force Reserve established the Force Generation Center (FGC) in 2010 to provide a standardized approach in preparing, processing, and deploying Reservists. What is the status of the FGC, and is it still on track to be fully operational by the end of 2012?

Answer. The FGC is up and running with 40 billets; about 25 moved from the Air Force Reserve Command Headquarters staff and 15 are new hires. The FGC is on track to be fully functional with 86 full time and 27 part time reservists by August 2012.

Question. How will the FGC benefit individual Air Force reservists?

Answer. The establishment of the FGC provides the Air Force Reserve Command (AFRC) the ability to optimize force management and accountability of Air Force Reserve (AFR) forces by standardizing and streamlining coordination for the activation of Reserve Forces. The FGC does this by consolidating execution functions formerly fragmented across the AFRC HQ staff from the “policy and guidance” functions. The major commands and other users of Reserve Forces can now go to one center vice many sources to access AFR capability. The FGC also allows me to effectively track and validate from the AFR perspective where our folks are and how they are being used. This will increase visibility and accountability of Reserve Forces across all categories, some where we previously had limited or no real time information. As a result, the AFR can be more responsive to the needs of individual reservists, providing them greater predictability while making activation schedules more certain.

RESERVE EQUIPMENT SHORTFALLS

Question. Gentlemen, over the last several years, the Reserve Components have transitioned from a strategic to an operational Reserve, but annual budget requests have not adequately addressed the additional equipment requirements associated with this new role. What remaining equipment shortfalls most concern you, and how do these shortfalls affect your ability to train and deploy?

Answer. The most critical equipment shortfall for the Air Force Reserve (AFR) currently is the Large Aircraft Infrared Countermeasures System (LAIRCM) for our legacy mobility aircraft fleet. Our C-130 fleet, with the help of National Guard and Reserve Equipment Appropriation (NGREA) funding, is well on its way to be completely modified. Air Mobility Command has a plan to modify our C-5's but currently is last in line to receive the upgrade. The KC-135 community has defined a cost-effective LAIRCM solution but is without funding. The Congress has been extremely generous to the AFR in the last few years with additive resources for modernizing our aircraft. The lack of these systems negatively affects our aircraft's ability to effectively operate and deploy in the combat environment. Non-LAIRCM equipped aircraft are easy prey for third- and fourth-generation man portable missiles being proliferated throughout the world.

Question. Gentlemen, how much additional funding would you need to fully equip your component?

Answer. The AFR currently has more than \$957 million in unfunded equipment requirements. Of that, \$70 million will be paid for with our fiscal year 2011 NGREA funding once our fiscal year 2011 Procurement Plan is approved through the Congress. We maintain the most efficient, experienced and operationally capable force, but operate some of the oldest aircraft in the Air Force fleet. The AFR is not programmed to recapitalize any of its legacy fleet through the current Future Years Defense Program (FYDP). Age of the fleet and more than 20 years of increased operations tempo will make replacement of our aircraft imperative in the years to come.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNT (NGREA)

Question. Gentlemen, this Committee recognizes the importance of providing the Reserve Components funding for necessary new equipment and modernizations and has consistently done so through the NGREA. Please describe the importance of this additional funding to providing critical equipment for the Reserves.

Answer. The NGREA is the cornerstone of the Air Force Reserve's (AFR) equipment modernization and replacement funding efforts. Congress has been extremely generous in providing the NGREA funding for the modernization and purchase of Air Reserve Component equipment. Without these funds, the modernization of AFR

aircraft would have been almost nonexistent. The AFR does not usually rank high enough on Lead Major Command's modernization priority lists to receive Program Objective Memorandum funding. In today's constrained fiscal reality, that fact has even greater impact.

Question. Historically, the Department has had some trouble in obligating NGREA funds in a timely manner. Please provide an update on current obligation rates.

Answer. Full obligation and execution within the 3-year life of NGREA funds has never been an issue. In the last 12 years, the AFR has executed 99.7 percent of their allocated NGREA funds. The difficulty lies in our first year obligation rates and the reasons for those difficulties are many. We, in partnership with the Air National Guard, the Headquarters Air Force Acquisition Staff, Air Force Materiel Command, and the individual system program offices are currently working closely together to identify what the difficulties are and to implement new policies, procedures, and guidelines to ensure we meet the expectation of the Congress. As of our February 2011 NGREA Obligation Review, the obligation rates were: Fiscal year 2009 NGREA—48.5 percent, fiscal year 2009 NGREA OCO—96.8 percent, and fiscal year 2010 NGREA—10.9 percent. We have recently re-aligned fiscal year 2009 and fiscal year 2010 funds away from nonperforming programs to performing ones which will improve our obligation rates.

OPERATIONAL RESERVE'S FUTURE ROLE

Question. Gentlemen, the Reserve Components continue to transition from a strategic to an operational Reserve. What are the biggest challenges still remaining in making this transition, and what role do you see the operational Reserve playing in the near future as the wars in Iraq and Afghanistan wind down?

Answer. The Citizen Airmen of the Air Force Reserve have been meeting continuous and recurring operational mission commitments since 1990. Today's security environment has led to continued demand for the Reserve Component to augment Active Component steady-state operational missions. Despite a drawdown of operations in Iraq or Afghanistan, the Air Force Reserve maintains its operational role while providing strategic depth. Our operational involvement and strategic depth are institutionalized and sustained by new rules within the Department, new planning and execution processes within the Air Force and re-calibrated expectations by Reservists, their families, and their employers.

As supplemental and Overseas Contingency Operations funding wanes, we are challenged to ensure adequate funding exists for Reserve Component operational use. Budgeting for the use of the Reserve Component within Service base budgets helps overcome this funding challenge. The Nation cannot afford to put the Reserve Component "back on the shelf." Another challenge facing the Reserve Component is the potential reduction of prior-service members transitioning to the Reserve Component. With fewer eligible Active Component members, the Reserve Component is faced with increased recruiting and training costs normally absorbed when an Active member transitions. We must rely on adequate funding levels to offset potential increased costs.

Question. Do you believe the Department is adequately resourcing the Reserves to make this transition?

Answer. The Department as a whole is fiscally constrained. The Reserve Component has become a responsive operational force that allows the Air Force to respond quickly and efficiently to funding reductions without creating warfighting capacity gaps and recruiting and training bills associated with the traditional force planning models. That said, as supplemental and Overseas Contingency Operations funding is reduced and as military personnel appropriations funding decreases, the potential for inadequate resourcing exists unless provided for in the Services' base budget.

Question. The Air Force Reserve's 932nd Air Wing located at Scott Air Force Base in Illinois is soon scheduled to retire their three C-9C aircraft. Although the plan is to retain their three currently authorized C-40 aircraft, the 932nd is only scheduled to gain one additional C-40, currently in production. How will the reduction in total aircraft assigned to the 932nd impact their ability to perform their mission? Will the reduction in total aircraft assigned to the unit result in a decrease in personnel assigned to the unit and if so by how many?

Answer. The 932nd Airlift Wing operates and maintains three C-9C and three C-40C aircraft. The Air Force Reserve Command (AFRC) programs and manages the funding for the wing's facilities, flying hours, support equipment, personnel training, and maintenance requirements.

The current program of record funds C-9C operations and force structure through fiscal year 2011. Beginning in fiscal year 2012, three C-9C aircraft will be retired.

AFRC has projected a 45 percent loss in capability from fiscal year 2011 levels of support and a reduction of 252 Reserve personnel. An additional C-40C is programmed for delivery in early fiscal year 2012 and will increase aircraft availability for unit operations but the unit will remain a three primary aircraft authorization unit. The C-9C retirement will not impact the unit's ability to perform its mission, however, the capability to meet the current level of support will be reduced.

Please know that current mission capability and future levels of support are of interest and as the C-40C has no official wartime mission, we will strive to execute an equivalent level of service that three primary aircraft authorization aircraft will provide.

SUBCOMMITTEE RECESS

Chairman INOUE. This Defense Subcommittee will reconvene on Tuesday, May 17 at 10:30 a.m., at which time we will meet in closed session to receive a briefing on fiscal year 2012 Northern Command and Southern Command programs and budgets.

Thank you very much.

The session is recessed.

[Whereupon, at 11:49 a.m., Wednesday, May 11, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MAY 18, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:33 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senator Inouye, Leahy, Mikulski, Murray, Cochran, Shelby, Collins, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENT OF HON. JOHN M. McHUGH, SECRETARY

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. This morning we welcome the Honorable John M. McHugh, Secretary of the Army, who is providing testimony to our subcommittee for the second time. Beside him, we welcome for the first time General Martin Dempsey, the Army Chief of Staff. Gentlemen, I thank you on behalf of the subcommittee for being here with us today to review the budget request for fiscal year 2012.

The Department of the Army's fiscal year 2012 base budget request is \$144.9 billion, an increase of \$7.2 billion over last year's enacted base budget.

The Army is also requesting \$71.1 billion for overseas contingency operations for fiscal year 2012, which is a decrease of \$30.5 billion from last year's request and reflects the ongoing drawdown of forces from Iraq.

As part of the fiscal year 2012 budget bill, Secretary Gates set a goal for the Department of Defense to achieve overall efficiency savings of \$100 billion over the next 5 years. The Army's share of this initiative is \$29.5 billion, with only \$2.7 billion of those savings programmed in fiscal year 2012, which the Army plans to achieve through aggressive plans to streamline headquarters, reduce overhead, terminate or reduce weapons systems.

The fiscal year 2012 budget request comes at a time when the Army is at a turning point and is examining its post-war role. Your service is being challenged with sustaining an army at war, build-

ing readiness and strategic flexibility required to respond to future conflicts and accelerating the fielding of urgent warfighting capabilities while modernizing for future conflicts.

Unfortunately, the Army does not have a good track record with its modernization efforts. A recent study noted that since 2004 the service has spent between \$3.3 billion and \$3.8 billion each year on programs that we eventually canceled. So I look forward to hearing from you today on some of the Army's modernization plans to develop and field a versatile and affordable mix of equipment to allow soldiers and units to succeed in both today and tomorrow's full operations.

Along with challenges of modernizing the force, manpower issues are just as critical. The Army has been in continuous combat for 10 years, which puts a tremendous burden of stress on soldiers and their families. The Army has made progress in finding ways to mitigate the stress of multiple combat rotations and long family separations.

The current size of the Army allows more time at home before being deployed. However, in a speech earlier this year at the U.S. Military Academy, Secretary Gates indicated that it will be increasingly difficult for Army leaders to justify the number, size, and costs of these heavy formations. Today I hope to hear your views on what the future Army force mix should be after operations in Iraq and Afghanistan wind down.

Finally, I look forward to hearing from you both on your assessment of the Army's readiness to respond to unforeseen future military contingencies. We are all aware of potential threats from nations such as China and North Korea and Iran, but there are many more unknown flashpoints around the globe that the United States could be called upon to engage. With the Army continuing to support operations in Iraq and Afghanistan, efficiency initiatives and potentially large defense cuts to help reduce the national debt and difficult manpower decisions, I would like to get a better understanding of your concerns regarding the Army's readiness to respond to other contingencies around the world.

And so, gentlemen, we sincerely appreciate your service to our Nation and the dedication and sacrifices made daily by men and women in our Army. We could not be more grateful for what those who wear our Nation's uniform do for our country each and every day. So I look forward to working with you to ensure that the fiscal year 2012 appropriations bill reflects the current and future needs of the U.S. Army.

We have received your full statements, and I can assure you that they will be made part of the record.

Now may I call upon the vice chairman, Senator Cochran?

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. I am pleased to join you in welcoming our distinguished witnesses before the subcommittee this morning. We are here to review the budget request for the next fiscal year.

The request proposes a number of significant changes and important budgetary issues for us to consider, but we look forward to working with you during the appropriations process as we review

the budget request of the Department of the Army for this next fiscal year.

We appreciate your service and we welcome you to the committee.

Chairman INOUE. May I call upon Senator Shelby.

Senator SHELBY. Mr. Chairman, I look forward to hearing Secretary McHugh and General Dempsey. Thank you, Mr. Chairman.

Chairman INOUE. Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, I just want to echo your remarks and that of the ranking member in thanking both Secretary McHugh and General Dempsey for all that they do to keep our country safe and to keep our troops safe. And I look forward to hearing their testimony in these frugal times, how we keep our commitment to the military in the same way that they keep their commitment to us.

So thank you.

Chairman INOUE. Senator Coats.

Senator COATS. Mr. Chairman, I could not say it better than the four of you said it. I would just add a big ditto to all of that so we can get to the hearing.

Chairman INOUE. Mr. Secretary.

SUMMARY STATEMENT OF HON. JOHN M. MCHUGH

Mr. MCHUGH. Thank you very much, Mr. Chairman, distinguished vice chairman, Senator Cochran, members of the subcommittee.

As always, it is a pleasure to be back here in the halls of Congress where I had the honor of serving for some 17 years, but especially appreciate, as you noted, Mr. Chairman, my second opportunity to appear before this distinguished body and to discuss the status today as well as the future of the world's greatest force for freedom, the United States Army.

But before I begin, with your indulgence, I would like to recognize—not introduce because I know you all know him—but to recognize and express my appreciation to the Senate as a whole for acting very expeditiously on a nomination that I think President Obama made very wisely of General Marty Dempsey as our new Chief of Staff, 37th Chief of Staff of the Army. And his is a career that spans some four decades, and at every level at which he has served, our new chief has made incredible contributions. And I can say very safely, having observed him and now approximately a month into the job, he has already begun to lead and shape our force for the future challenges that we may face. Simply put, he is an exceptional leader. He is a scholar and I do believe a friend. I and, indeed, the entire Army family are truly excited he is on board.

With that, I want to thank each of you on this critically important subcommittee for your steadfast support of our 1.1 million soldiers, 279,000 civilian employees, and as always, their families who also serve. With the leadership and assistance of the United States Congress and particularly all of you, America's Army continues to be at the forefront of combat, counterinsurgency, counterterrorism, and security assistance operations in nearly 80 countries around the world.

In Iraq, our soldiers and civilians began one of the largest and most complex logistical operations in our Nation's history. As we continue to draw down our forces to meet the December 31, 2011 deadline, we have already closed or transferred over 86 percent of the bases that we formerly occupied to Iraqi authorities. We have reduced the number of United States personnel by over 75,000 and redeployed more than 2.3 million pieces of equipment. And having just visited in Iraq in January, I can tell you firsthand the enormity of that retrograde operation and the exceptionally high morale of our remaining forces as they continue to advise and assist and train Iraqis to support what we all recognize is still a burgeoning democracy.

Simultaneously, with drawdown operations in Iraq, your army has surged an additional 30,000 soldiers to Afghanistan to defeat the al Qaeda network and the Taliban insurgency. And this surge has enabled our soldiers and our Afghan partners to seize multiple sanctuaries in the traditional insurgent heartland of southern Afghanistan.

Additionally, during this past year, our forces have trained 109,000 Afghan National Army soldiers, as well as 41,000 Afghan National Police. And 2 weeks ago, I visited those great soldiers and their leaders in Afghanistan, and although operating, as you know, in an extraordinarily austere and dangerous environment against a determined enemy, our soldiers, your Army, alongside our Afghan and NATO partners are defeating those Taliban insurgents and al Qaeda terrorists. Each day they are taking back enemy strongholds, while simultaneously protecting and providing for the Afghan people.

Although we have seen extraordinary success in recent days, including a heroic raid against a key al Qaeda leader, we should make no mistake. The stakes in Afghanistan are high. Our forces remain vigilant and committed to defeating our enemies, supporting our allies, and protecting our Nation's security.

And overseas contingency operations are only one part of our Army's diverse requirements. Our soldiers and our civilians, all our Army components are committed to protecting our homeland not only from the threat of enemies who would harm us, but also from the ravages of natural and manmade disasters. From National Guard soldiers assisting with drug enforcement and border security to the Army Corps of Engineers, as we have seen in recent days responding to the catastrophic floods along the Mississippi, America's Army has been there to support local, State, and Federal partners in saving, protecting, and caring for our citizens.

As the Army continues to fight global terrorists and regional insurgents, we must be ever mindful of the future and the enemies it may bring: hybrid threats, hostile state actors, to name just two. It is vital, therefore, that we have a modernization program, one that provides our soldiers with the full array of equipment necessary to maintain a decisive advantage over the enemies we are fighting today, as well as deter and defeat tomorrow's threats at a price that we can afford.

Our fiscal year 2012 budget request is critical to achieving this goal by supporting the extraordinary strides being made in the

Army's state-of-the-art network tactical wheeled vehicle and combat vehicle modernization programs.

Regarding the network, this budget requests \$974 million in procurement and \$298 million in research and development for the Warfighter Information Network-Tactical, WIN-T, which will become the cornerstone of our battlefield communications system.

The budget also contains \$2.1 billion in procurement for the joint and combat communications systems, including the joint tactical radio system, or JTRS.

As we look to modernize our vehicle fleets, we are asking for \$1.5 billion for tactical wheeled vehicle modernization and over \$1 billion to support vital research and development for combat vehicle modernization, including \$884 million for the ground combat vehicle and \$156 million for the modernization of Stryker, Bradley, and Abrams platforms.

Along with advances in equipment, the Army is seeking new methods to use and secure our scarce energy resources. Clearly, future operations will depend on our ability to reduce our dependency, increase our efficiency, and use more renewable or alternative sources of energy. We have made great strides in this area. The Army has established a senior energy council, appointed a senior energy executive, and adopted a comprehensive strategy for energy security. Based on this strategy, we are developing more efficient generators and power distribution platforms. Factoring in fuel costs is part of our equipment modernizations, and we have instituted a net zero pilot program to holistically address our installations' energy, water, and waste needs.

Moreover, we are changing how we do business by undertaking comprehensive emphasis to reform our procurement methods. In 2010, General Casey and I commissioned an unprecedented blue ribbon review of the Army acquisition systems and did it from cradle to grave. We are currently analyzing the panel's insightful report and we will use it as a guide over the next 2 years to improve the efficiency and the effectiveness of the Army acquisition process.

But we did not stop there. To ensure that we purchased the right equipment to meet the soldiers' needs, we instituted a series of capability portfolio reviews to examine all existing Army requirements and terminate those programs that are redundant, do not work, or which are just too expensive. These broad-based reviews have already helped us to identify key gaps and wasteful redundancies while promoting good stewardship of our Nation's resources.

I assure you we remain committed to using every effort to obtain the right system, supplies, and services at the right time in the most cost-effective, streamlined manner possible. Our soldiers and the taxpayers deserve no less. We look forward to working closely with this committee as we continue to implement these sweeping changes.

Throughout it all, at its heart, our Army is people. Although our soldiers and civilians are better trained, led, and equipped and more capable than ever before, our forces are clearly stretched and our personnel are strained from a decade of war. This is evidenced by yet another year of discouraging rates of suicide and high-risk

behavior not only among the regular Army, but the reserve components as well.

In response, under the direct supervision of our Vice Chief of Staff, General Pete Chiarelli, the Army completed an unprecedented 15-month study to better understand suicide and related actions amongst our soldiers. In July, we published the first-ever health promotion, risk reduction, and suicide prevention report, a very frank and candid assessment designed to assist our leaders in recognizing and reducing high-risk behavior, as well as the stigma associated with behavioral healthcare. The lessons from this holistic review have been infused into every level of command and incorporated throughout our efforts to strengthen the resiliency of our soldiers, families, and civilians.

Moreover, our fiscal year 2012 budget request provides \$1.7 billion to fund vital soldier and family programs to provide a full range of essential services to include the Army Campaign for Health Promotion, Risk Reduction, and Suicide Prevention; Sexual Harassment/Assault Response and Prevention; and Comprehensive Soldier Fitness.

Caring for our personnel and their families, however, goes beyond mental, physical, and emotional health. We are committed to protecting their safety both at home and abroad from the internal and external threats. As part of our continuing efforts to learn and adapt from the Fort Hood shooting, the Army has instituted a number of key programs to enhance awareness, reporting, prevention, and response to such threats. For example, we have implemented Eye Watch and I Salute programs to improve our ability to detect and mitigate high-risk behavior indicative of an insider threat.

To enhance interoperability with local, regional, Federal agencies, Army installations will also fully implement the National Incident Management System by 2014. We will field the FBI's eGuardian system and require all installations to have emergency management equipment such as e-911 and mass warning notification systems.

Let me close by mentioning my deep appreciation and admiration for all those who wear the Army uniform, as well as the great civilians and families who support them. Daily I am reminded that these heroes make enormous sacrifices for the defense of this Nation, sacrifices that simply cannot be measured.

Moreover, I know that each of you plays a key role in the success of our Army. Your efforts and support ensure that our soldiers, civilians, and Army families receive the critical resources and authorities they need, and we cannot do it without you.

PREPARED STATEMENT

So thank you. I deeply appreciate this opportunity to be before you, and I look forward to your questions.

Chairman INOUE. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN M. MCHUGH

INTRODUCTION

In the past decade, America's Army has been challenged and prevailed in some of the most daunting tasks in the history of our military. Soldiers from the Active Army, Army National Guard and Army Reserve demonstrate indelible spirit, sacrifice and sheer determination in protecting our national interests and supporting our friends and allies around the world.

In the coming years, our top priorities will be to maintain our combat edge while we reconstitute the force for other missions and build resilience in our people. The Army has made significant progress in restoring balance through the four imperatives we identified in 2007—sustain, prepare, reset, and transform. We are on track to achieve a sustainable deployment tempo for our forces and restore balance to the Army beginning in fiscal year 2012. We successfully completed combat operations in Iraq, transitioning from Operation Iraqi Freedom to Operation New Dawn while executing one of the largest wartime retrogrades in the Nation's history. Operation New Dawn marks the beginning of a new mission for our Army while demonstrating our ongoing commitment to the government and people of Iraq. Concurrently, we surged Soldiers to Afghanistan in support of a new strategic direction in this vital theater. Even with all we have done, there is still much work to do.

The war is not over yet, and we remain in an era of persistent conflict facing an uncertain and increasingly complex strategic environment. Hybrid threats made up of conventional, irregular, criminal and terrorist capabilities will continue to test our forces. These threats will avoid our strengths and attack us asymmetrically. Therefore, we must continue to organize our formations, update our doctrine and prepare our forces for the full spectrum of operations.

Additionally we remain aware of the difficult economic conditions at home. These conditions will drive our efforts to transform our generating force into an innovative and adaptive organization. We must adapt our institutions to effectively generate trained and ready forces for Full Spectrum Operations, while seeking ways to improve efficiency and reduce overhead expenditures that demonstrate wise stewardship of our taxpayers' dollars. With the continued support of the American people and Congress, we remain committed to the readiness and well being of our Soldiers, Civilians and Family members. As the Strength of the Nation, the American Soldier is the centerpiece of everything we do.

WHERE WE HAVE BEEN

For nearly a decade, the Army has been operating at an exhausting pace. High operational demands have stressed our ability to supply trained and ready forces during most of this period. The result was an Army out of balance, lacking strategic flexibility to respond to other contingencies and lacking the ability to sustain the all-volunteer force. This past year the Army continued to make great strides toward restoring balance to the force.

The drawdown in Iraq and change of mission from Operation Iraqi Freedom to Operation New Dawn on September 1, 2010 represented a significant accomplishment made possible by the extraordinary determination, hard work and sacrifice of American Soldiers, their Families and the Civilian workforce. During Operation New Dawn, the remaining 50,000 U.S. service members serving in Iraq will conduct stability operations focused on advising, assisting and training Iraqi Security Forces, all while engineering the responsible drawdown of combat forces in one of the largest and most complex logistical operations in history. The Army closed or transferred over 80 percent of the bases to Iraqi authorities, reduced the number of U.S. personnel by over 75,000 and redeployed more than 26,000 vehicles.

Concurrently, we implemented the President's direction to surge an additional 30,000 Soldiers to Afghanistan to defeat the al-Qaeda terrorist network and the Taliban insurgency. This surge enabled our Soldiers and our Afghan partners to take back insurgent sanctuaries in the traditional insurgent Taliban heartland of southern Afghanistan. Additionally, during this past year our forces have trained 109,000 Afghan National Army Soldiers, as well as 41,000 Afghan National Police. As a result, we are beginning to see an improvement in Afghan National Security Force capability.

Last year, the Army responded to three major natural and environmental disasters while continuing to support homeland defense. The Army provided humanitarian relief in response to the devastating earthquake in Haiti, the summer floods in Pakistan and the catastrophic oil spill in the Gulf of Mexico. Additionally, our National Guard Soldiers were sent to the Nation's southern border to help control

increased illegal activity. They assisted Federal law enforcement agencies responsible for drug enforcement and the security of our borders.

During this past year the Army continued to increase its knowledge and understanding of Full Spectrum Operations. Last October, the Army conducted the first full spectrum rotation against a hybrid threat at the Joint Readiness Training Center, Fort Polk, Louisiana. This was the first time in 5 years that we have been able to conduct a training rotation focused on anything other than operations in Iraq and Afghanistan. As we continue to build dwell and increase the time Soldiers have at home, more units will conduct full spectrum training rotations at the Combat Training Centers increasing our ability to hedge against the unexpected and restoring strategic flexibility to the force.

Though we remain heavily engaged, the Army is regaining balance. We are starting to be able to breathe again. We must continue efforts to fully restore balance while maintaining the momentum we have achieved over the past 4 years. The strategic environment continues to be complex, and the stakes are too high to become complacent or underprepared.

RESTORING BALANCING

Through the continued support of Congress and the American people, we will lessen the stress on America's Army by focusing on the imperatives we established 4 years ago. We must continue to sustain the Army's Soldiers, Families and Civilians; prepare forces for success in the current conflicts; reset returning units; and transform the Army to meet the demands of the second decade of the 21st century.

SUSTAIN

Our first imperative is to sustain our all-volunteer force. We must reduce the stress on Soldiers, Families and Civilians who have borne the hardship of 9½ years of conflict. In addition to addressing this high level of stress, the Army invests time, energy and resources into quality of life programs. We must continue to inculcate resilience in the force, providing Soldiers, Families and Civilians the skill sets necessary to deal with adversity.

Goals

The most important component required to restore balance within our Army is to increase the time between deployments, known as dwell time. A study completed in 2009 confirmed what we already intuitively knew: Soldiers require at least 2 to 3 years to fully recover, both mentally and physically, from the rigors of a 1 year combat deployment. Training and schooling necessary for a professional Soldier to sustain warrior and leader skills are also very important. With these critical considerations, our interim objective is to achieve and then maintain a dwell time of at least 2 years at home for every year deployed for the active component Soldier and 4 years at home for every year mobilized for the reserve component Soldier. In 2011 we will examine the cost and benefits of increasing dwell to 1:3 and 1:5 respectively with a 9 month Boots on the Ground policy.

In addition to increasing dwell time, the Army must continue to recruit and retain quality Soldiers and Civilians from diverse backgrounds. People are our most important resource, and to sustain an all-volunteer force it is essential to attract those with an aptitude for learning and then retain them as they develop the tactical, technical and leadership skills the Army needs. To grow and develop the Army's future leadership, we need appropriate incentives to encourage sufficient numbers of high quality personnel to continue to serve beyond their initial term of service.

Another important consideration is the health of the force. We must provide our Soldiers and Civilians, as well as their Families, the best possible care, support and services by establishing a cohesive holistic Army-wide strategy to synchronize and integrate programs, processes and governance. There are myriad programs available to accomplish this, such as Army Family Action Plan, the Army Family Covenant and other community covenants. Our focus is on improving access to and predictability of services. We will enhance support for the wounded, Families of the Fallen, victims of sexual assault and those with mental health issues. Our effort to build an entire spectrum of wellness—physical, emotional, social, family and spiritual—will support achieving Army strategic outcomes of readiness, recruitment and retention. The Army is also building resilience in the force by addressing the cumulative effects of 9½ years of war. We have designed a comprehensive approach that puts mental fitness on the same level as physical fitness by establishing a Comprehensive Soldier Fitness program, developing Master Resiliency Trainers and implementing a campaign for Health Promotion and Risk Reduction. The Army has a requisite duty to provide world class healthcare for our wounded, ill or injured Warriors

and to successfully transition these Soldiers and their Families back to the Army or civilian life. This is coordinated through the Warrior Care and Transition Program and ably led by well resourced Warrior Transition Units. Our final and most solemn responsibility is to respect and honor the sacrifice of our fallen comrades by continuing to support the needs of their Families.

Progress

Achieved 101 percent of recruiting goals for 2010, exceeding both numeric goals and quality benchmarks for new recruits. Over 98 percent of recruits had high school diplomas, the highest percentage since 1992.

Exceeded reenlistment goals: 114 percent for the active component and 106 percent for the reserve component.

Decreased accidents and mishaps in several key categories, to include: Off-duty fatalities down by 20 percent; on-duty critical accidents down by 13 percent; Army combat vehicle accidents down by 37 percent; and manned aircraft accidents down by 16 percent.

Expanded Survivor Outreach Services to over 26,000 Family members, providing unified support and advocacy, and enhancing survivor benefits for the Families of our Soldiers who have made the ultimate sacrifice.

Graduated more than 3,000 Soldiers and Civilians from the Master Resilience Trainer course.

Surpassed 1 million Soldiers, Civilians and Family members who have completed the Army's Global Assessment Tool to begin their personal assessment and resilience training.

Fiscal Year 2012 Budget Highlights for Sustain

Provides \$1.7 billion to fund vital Soldier and Family programs to provide a full range of essential services to include the Army Campaign for Health Promotion, Risk Reduction, and Suicide Prevention; Sexual Harassment/Assault Response and Prevention; and Comprehensive Soldier Fitness. In addition, this funding supports Family services including welfare and recreation, youth services and child care, Survivor Outreach Services and education and employment opportunities for Family members.

Provides Soldiers with a 1.6 percent military basic pay raise, a 3.4 percent basic allowance for subsistence increase and a 3.1 percent basic allowance for housing increase.

Continues to fund the Residential Communities Initiatives program which provides quality, sustainable residential communities for Soldiers and their Families living on-post and continues to offset out-of-pocket housing expenses for those residing off-post.

PREPARE

Properly preparing our Soldiers for combat against a ruthless and dedicated enemy is critical to mission success. To do so, we must provide the appropriate equipment and training to each Soldier and ensure units are appropriately manned. Our generating force must continuously adapt—tailoring force packages and quickly readjusting training, manning and equipping—to ensure units have the tools necessary to succeed in any conflict. At the same time, we are aggressively pursuing efficiency initiatives designed to reduce duplication, overhead and excess as well as to instill a culture of savings and restraint.

Goals

The Army identified four key goals necessary to adequately prepare the force for today's strategic environment. The first was to responsibly grow the Army. The congressionally approved growth of the Army was completed ahead of schedule in 2009. However, after a decade of persistent conflict, a number of other factors—non-deployable Soldiers, temporary requirements in various headquarters and transition teams, our wounded Warriors, elimination of stop-loss—has impacted our ability to adequately man units for deployment. As a result, the Secretary of Defense approved an additional temporary end strength of 22,000 Soldiers, 7,000 of whom were integrated in 2010. The Army will return to the congressionally approved active component end strength of 547,400 by the end of fiscal year 2013. The second key goal addressed training. The Army will continue its commitment to leader, individual and collective training in order to remain mentally, physically and emotionally agile against a highly decentralized and adaptive foe. The third key goal is to provide the Army with effective equipment in a timely and efficient manner. We must implement a new materiel management approach to ensure a timely avail-

ability of equipment that not only protects our Soldiers and maintains our technological edge, but does so prudently.

The final and most critical goal is to fully embrace our rotational readiness model—a process we call Army Force Generation (ARFORGEN). ARFORGEN will allow a steady, predictable flow of trained and ready forces to meet the Nation's needs across the full spectrum of conflict. Drawing from both active and reserve components, the ARFORGEN process allows us to consistently generate one corps headquarters, five division headquarters, 20 brigade combat teams, and 90,000 enabler Soldiers (i.e., combat support and combat service support). When the current demand comes down, it will allow us to build and maintain the ability to surge one corps headquarters, three division headquarters, 10 brigade combat teams and 40,000 enabler Soldiers as a hedge against contingencies. ARFORGEN also allows a predictable and sustainable dwell time for Soldiers. We are currently working to better align the generating force activities and business processes that support ARFORGEN.

Progress

Trained and deployed seven division headquarters, 16 brigade combat teams, four combat aviation brigades, and eight multi-functional/functional brigades for deployments to Operation New Dawn and Operation Enduring Freedom in 2010.

Increased Army inventory of Mine Resistant Ambush Protected vehicles to 20,000 vehicles.

Deployed more than 4,300 Army Civilians to Iraq and Afghanistan to support operations in both theaters.

Discontinued the Stop Loss program; last Soldiers affected by the policy will leave active duty in early 2011.

Fiscal Year 2012 Budget Highlights for Prepare

Supports a permanent, all volunteer force end strength of 547,400 for the active component, 358,200 for the National Guard and 205,000 for the Army Reserve in the base budget. Provides for a 22,000 temporary increase in the active component in the Overseas Contingency Operations request (14,600 end strength on September 30, 2012).

Includes \$2.1 billion in procurement for Joint and Combat Communications Systems, including the Joint Tactical Radio System (JTRS), and an additional \$1.5 billion in Tactical Wheeled Vehicle modernization funding.

Provides over \$5.6 billion for the Army to implement training strategies in support of Full Spectrum Operations, designed to prepare units for any mission along the spectrum of conflict, i.e., to perform the fundamental aspects of offense, defense, and stability operations against hybrid threats in contemporary operational environments.

Invests \$1.5 billion in 71 UH-60M/HH-60M Black Hawk Helicopters—a critical step in modernizing the utility helicopter fleet. Provides a digitized cockpit, new engine for improved lift and range, and wide-chord rotor blades.

Devotes \$1.4 billion to procure 32 new and 15 remanufactured CH-47F Chinook Helicopters with a new airframe, Common Avionics Architecture System (CAAS), digital cockpit and a digital advanced flight control system, as well as an additional \$1.04 billion to modernize the AH-64 Apache.

RESET

In order to ensure a quality force and a level of readiness necessary for the complex range of future missions, we must continue to reset our units' Soldiers, Families and equipment. This is especially critical given the tempo of deployments. It is a process that must continue for two to three years after the end of operations in Afghanistan and Iraq.

Goals

In order to achieve our reset goals, we continue every effort to revitalize Soldiers and Families by allowing them an opportunity to reestablish, nurture and strengthen personal relationships immediately following a deployment. This includes a review of our procedures for demobilization of reserve component Soldiers. We strive to make this post-deployment period as predictable and stable as possible. The Army also seeks to repair, replace and recapitalize equipment. As we continue the responsible drawdown in Iraq while simultaneously building up capability to complete our mission in Afghanistan, it is critical that we efficiently replace all equipment that has been destroyed, and that we repair or recapitalize equipment impacted by extreme environmental conditions or combat operations. We will achieve this by adapting the production and manufacturing processes in our arsenals and

depots, sustaining existing efficiencies, improving collaboration and eliminating redundancies in materiel management and distribution. This will save the Army money in equipment costs and lessen the strain on the supply lines into and out of combat theaters. We finished the reset pilot program which was designed to improve the efficiency and effectiveness of the reset process, and we will continue to apply lessons learned. As we drawdown in Iraq and eventually in Afghanistan, we will continue to focus on retraining Soldiers, units and leaders in order to effectively reset the force. Too often over the last 9½ years, the Army had to prioritize deployment over certain education and training opportunities for Soldiers. Given the uncertain strategic environment we face in the future, it is critical that the Army focus on education and leader development as well as provide Soldiers, units and leaders training for full spectrum operations.

Progress

Sponsored over 2,600 Strong Bonds events designed to strengthen Army Families with over 160,000 Soldiers and Family members participating.

Completed the reset of 29 brigades' worth of equipment, and continued the reset of 13 more.

Distributed 1.3 million pieces of equipment, closed or transferred 418 bases, drew down 16 Supply Support Activities and redeployed over 76,000 U.S. military, civilian and coalition personnel—all in support of the responsible drawdown of forces from Iraq.

Deployed Army aircraft with Condition Based Maintenance plus (CBM+) technologies into combat theaters. CBM+ is a proactive maintenance capability that uses sensor-based health indications to predict failure in advance of the event providing the ability to take appropriate preventive measures. A cost-benefit analysis for CBM+ indicated that it has a Benefit-to-Investment Ratio of 1.2:1 given a 10 year operations period.

Fiscal Year 2012 Budget Highlights for Reset

Provides \$4.4 billion to reset Army equipment through the Overseas Contingency Operations (OCO) request.

Continues to support training and sustainment of Army forces including individual skills and leader training; combined arms training toward full spectrum operations; and adaptable, phased training based on the Army Force Generation (ARFORGEN) process.

TRANSFORM

In order to provide combatant commanders with tailored, strategically responsive forces that can dominate across the spectrum of conflict in an uncertain threat environment, the Army continues to transform our operating force by building versatile, agile units capable of adapting to changing environments. We continue to convert brigades to more deployable, tailorable and versatile modular organizations while rebalancing our skills to better prepare for the future. This process not only positions us to win today's conflicts, but it also sets the conditions for future success.

To support the operating force, our generating force must become a force driven by innovation, able to adapt quickly and field what our Soldiers and their Families will require. We must transform the business systems of our generating force by developing a fully integrated management system, improving the ARFORGEN process, adopting an enterprise approach and reforming the requirements and resource processes that synchronize materiel distribution, training and staffing. Transformation of the generating force is key to our ability to effectively manage, generate and sustain a balanced Army for the 21st century.

Goals

Our plan identifies five goals necessary for effective transformation. The first is completing our modular reorganization. Our plan calls for converting all Army brigades from cold war formations to more deployable, tailorable and versatile modular formations. Our reorganized units have proven themselves extremely powerful and effective on today's battlefields. The second goal involves accelerated fielding of proven, advanced technologies as part of our modernization of the force. The Army will develop and field versatile, affordable, survivable and networked equipment to ensure our Soldiers maintain a decisive advantage over any enemy they confront. In the Information Age, the Army must be networked at all times to enable collaboration with Joint, combined, coalition and other mission partners to ensure our Soldiers have a decisive advantage. Third, we must institutionalize the investment in our reserve component and obtain assured and predictable access to them, so that the Army can achieve the strategic flexibility and operational depth required to re-

spond to emerging contingencies across the spectrum of conflict. We are systematically building and sustaining readiness while increasing predictability for reserve component Soldiers, Families, employers and communities through the ARFORGEN process. We must modify Army policies and update congressional authorizations in order to fully realize the potential of an operationalized reserve component and capitalize on their significant combat experience. The fourth goal is the re-stationing of forces and Families around the world based on the Base Realignment and Closure statute. The Army is in the final year of this complex and detailed 5 year effort that has created improved work and training facilities for our Soldiers and Civilians as well as new or improved housing, medical and child care facilities for our Families. The last aspect of transformation is Soldier and leader development, which is an important factor in maintaining the profession of arms. Today's Army has a tremendous amount of combat experience that must be augmented with continued professional education and broadening opportunities in order to develop agile and adaptive military and civilian leaders who are able to operate effectively in Joint, inter-agency, intergovernmental and multi-national environments.

Progress

Reached 98 percent completion of the modular conversion of the Army. The fiscal year 2012 budget will support completion of this process.

Restored nearly a brigade combat team's worth of equipment and its entire sustainment package in the Army Pre-Positioned Stocks program for the first time since 2002, greatly enhancing the Army's strategic flexibility.

Provided identity management capabilities for the Department of Defense (DOD) and other U.S. Government and international partners through the DOD Automated Biometric Identification System. The nearly 1.3 million biometric entries enabled latent identification of approximately 700 Improvised Explosive Device (IED) events, 1,200 IED-related watch list hits, and 775 high-value individual captures in 2010.

Issued Soldiers in the 10th Mountain Division and 101st Airborne Division the Soldier Plate Carrier System—a lightweight vest that provides ballistic protection equal to the Improved Outer Tactical Vest in a standalone capacity while reducing the Soldier's load, enhancing comfort and optimizing mobility.

Fielded 20 million Enhanced Performance Rounds, providing our Soldiers with leap-ahead performance over the previous 5.56 mm round. The Enhanced Performance Round provides excellent performance against soft targets, has an exposed penetrator that is larger and sharper to penetrate hard targets and is more effective at extended ranges. The round is also lead-free.

Educated over 300 General Officers and Senior Civilian Leaders in business transformation concepts and management practices through the Army Strategic Leadership Development Program.

Disposed of over 24,000 acres and closed three active installations and five U.S. Army Reserve Centers and is on course to complete BRAC in fiscal year 2011.

Supported DOD in Chemical, Biological, Radiological, Nuclear and High Yield Explosives (CBRN) Consequence Management support required for a deliberate or inadvertent CBRN incident by transforming the CBRN Consequence Management Response Force (CCMRF) to a new response force within the CBRN Consequence Management Enterprise. The CBRN Consequence Management Enterprise consists of a Defense CBRN Response Force, two Command and Control CBRN Response Elements, 10 Homeland Response Forces, 17 CBRN Enhanced Response Force Packages, and 57 Weapons of Mass Destruction Civil Support Teams.

Fiscal Year 2012 Budget Highlights for Transform

Provides \$974 million in procurement and \$298 million in continued Research, Development, Test and Evaluation of the Warfighter Information Network-Tactical (WIN-T) which will become the cornerstone tactical communications system by providing a single integrating framework for the Army's battlefield networks.

Provides \$1.04 billion in support of the Army's Combat Vehicle Modernization Strategy including \$884 million for the Ground Combat Vehicle and \$156 million for the modernization of the Stryker, Bradley and Abrams combat vehicles.

STRATEGIC CONTEXT

As America enters the second decade of the 21st century, the Army faces a broad array of challenges. First and foremost, we must succeed in Afghanistan and Iraq and continue to combat violent extremist movements such as al-Qaeda and other terrorist organizations. We must also prepare for future national security challenges that range across the spectrum of conflict. All of this must be accomplished within the context of challenging global economic conditions.

Global Trends

Global trends will continue to shape the international environment. Although such trends pose both dilemmas and opportunities, their collective impact will increase security challenges and frame the conflicts that will confront the United States and our allies.

Globalization has spread prosperity around the globe and will continue to reduce barriers to trade, finance and economic growth. However, it will also continue to exacerbate tensions between the wealthy and the poor. Almost 85 percent of the world's wealth is held by 10 percent of the population while only 1 percent of the global wealth is shared by the bottom 50 percent of the world's population. This disparity can create populations that are vulnerable to radicalization.

Globalization is made possible through significant technological advances that benefit people around the world. Unfortunately, the same technology that facilitates an interconnected world is also used by extremist groups to proliferate their ideology and foment terrorism. Additionally, there are an increasing number of foreign government-sponsored cyber programs, politically motivated individuals, non-state actors and criminals who are capable of initiating potentially debilitating attacks on the electronic infrastructure of our Nation and allies.

Population growth in the developing world creates new markets, but the accompanying youth bulge can create a population of unemployed, disenfranchised individuals susceptible to extremist teachings that threaten stability and security. Furthermore, the bulk of the population growth is expected to occur in urban areas. Future military operations are more likely to occur in densely populated urban terrain—among the people rather than around them.

The demand for resources such as water, energy and food will increase competition and the propensity for conflict. Even as countries develop more efficient uses of natural resources, some countries, particularly those with burgeoning middle classes, will exacerbate demands on already scarce resources.

Proliferation and failing states continue to be the two trends of greatest concern. Proliferation of weapons of mass destruction increases the potential for destabilizing catastrophic attacks. Meanwhile, failed or failing states that lack the capacity or will to maintain territorial control can provide safe havens for terrorist groups to plan and export terror. The merging of these two trends is particularly worrisome: failing states that offer safe haven to terrorists seeking weapons of mass destruction. Al-Qaida and affiliated terrorist groups already seek weapons of mass destruction and will use them against Western interests given the opportunity.

Persistent Conflict

Persistent conflict has characterized the environment in which the Army has operated over the last 9½ years. This protracted confrontation among state, non-state and individual actors, using violence to further their ideological and political goals, will likely continue well into the second decade of the 21st century. As a result, our commitments in the future will be more frequent and continuous. Conflicts will arise unpredictably, vary in intensity and scope and will be less susceptible to traditional means of conflict resolution. Concurrently, the Army's Soldiers and Civilians will respond to natural disasters and humanitarian emergencies in support of civil authorities both at home and abroad. The Nation will continue to rely upon the Army to be ready to conduct a wide range of operations from humanitarian and civil support to counterinsurgency to general war.

Violent extremism in various forms will continue to constitute the most likely and immediate threat around the world. A more dangerous threat will come from emergent hybrid adversaries who combine the agility and flexibility of being an irregular and decentralized enemy with the power and technology of a nation state. These security challenges, in whatever form they are manifested, constitute the threat that the Army and our Nation will face for the foreseeable future. Our Army must remain alert to changes in this volatile environment and build the agility to anticipate and respond to change by maintaining our combat edge.

THE NEXT DECADE

The Nation continues to be faced with persistent and ruthless foes that maintain a clear intent to attack us on our soil. Entering the future under these conditions, the Army remains a resilient but stretched force—one that has performed superbly while simultaneously transforming in the midst of a war. The high demand we have seen in Iraq and Afghanistan will likely recede over the next few years, but other demands will surely arise. Our Soldiers and Civilians will have more time at home, and that will necessitate a different type of leadership at our garrisons between deployments. Given this future, the Army's challenge in the second decade of the cen-

ture is to maintain our combat edge while we reconstitute the force, and build resilience for the long haul.

Maintaining Our Combat Edge

Beginning in 2012 we anticipate having about as many BCTs available that are not earmarked for Iraq and Afghanistan as we will have of those deploying. It will be imperative that we remain focused on tough, demanding training at home station and at our training centers to ensure that our Soldiers and units sustain their combat edge. This training must be accomplished at an appropriate tempo and while meeting the unique challenges associated with increased time at home. Those units who are not deploying to Iraq or Afghanistan will undergo full spectrum training and be available to combatant commanders for security cooperation engagements, exercises and other regional requirements as well as fulfilling our requirements for a Global Response Force and the CBRNE Consequence Management Response Force. To do this, the Army will need to revitalize home station and leader development programs. We must continue to challenge our young, combat-seasoned leaders who will lead our Army into the second decade of this century and beyond.

Another aspect of maintaining our combat edge involves codifying our experience and lessons learned. Institutionally, we must refine our doctrine and warfighting concepts. While our understanding of Full Spectrum Operations has matured, we must continue to clarify how we define and how we conduct Full Spectrum Operations across the spectrum of conflict from stable peace to general war. As units have more time at home, we will train against the wider range of threats and in a broader range of environments. We will use these experiences to drive the continued adaptation of the Army.

Reconstituting the Force

The Army must reconstitute the force, ensuring excellence in core competencies while building new capabilities to support an uncertain and complex future operating environment. Reconstitution requires not only completely resetting redeploying units, but also continuous adaptation of our forces as we move forward in a period of continuous and fundamental change. While the Army has almost finished transforming to modular formations and balancing the force, we continue to integrate the lessons learned from 9½ years at war with our expectations of the future. The Army's Training and Doctrine Command (TRADOC) commenced an in-depth study of our force mix and force design to ensure that we have the right capabilities in the right numbers in the right organizations for the future. We are committed to continually transforming our force to retain the flexibility and versatility it will need for the uncertain future environment.

Another area that will require continual adaptation is our mix of active and reserve component forces. The Nation has been at a state of national emergency for 9½ years. As a result, the Army has had continuous access to the reserve component through partial mobilization. The Army National Guard and Army Reserve have performed magnificently, and the relationship between components is better than it has ever been. Our Soldiers have fought together and bled together, and more than ever, we are one Army—a Total Force. Our Nation cannot lose the enormous gains we have made.

Transforming the reserve component into an enduring operational force provides a historic opportunity for the Army to achieve the most cost effective use of the entire force. To that end, the Army recently completed a study of what the future role of our reserve component should be in an era of persistent conflict in which continuous deployment is the norm. The steady, consistent and recurring demand for reserve capabilities during this decade has posed significant challenges for a force organized and resourced as a strategic reserve. In response, the Army recast its reserve forces from the part-time strategic reserve role to a fully integrated and critical part of an operational, expeditionary Army. We are seeking changes to achieve affordable, predictable and assured access to the reserve component for the full range of assignments in the homeland and abroad. One thing is certain across every echelon of this Army; we cannot relegate the Army National Guard and Army Reserve back to a strategic reserve. The security of the Nation can ill afford a reserve force that is under-manned, under-equipped or at insufficient levels of training and readiness.

The other significant element of reconstitution—modernization—is designed to give our Soldiers a decisive advantage in every fight. The goal of our modernization strategy is to develop a versatile mix of tailorable and networked organizations that operate on a rotational cycle. This enables us to routinely provide combatant commanders trained and ready forces to operate across the spectrum of conflict. This involves developing and fielding new capabilities while modernizing and recapital-

izing old capabilities. Our top two modernization initiatives will be to develop, test and field the network and to field a new Ground Combat Vehicle in 7 years. Throughout this process, our industrial base will continue to identify and adopt improved business practices and maximize efficiencies to repair, overhaul, produce and manufacture in support of modernization and recapitalization efforts.

Building Resilience

As we look toward the next decade, we must also build resilience in our people. The last 9½ years have taken a physical, mental and emotional toll on our Soldiers, Civilians and Family members. No one has been immune to the impacts of war. This decade of experience, combined with the reality that our Nation is in a protracted struggle, underscores how important it is that we take advantage of our time at home to strengthen our force for the challenges ahead, even as we continue to deal with the continuing impacts of war. Although off-duty, high risk behavior is a continuing challenge, we have made significant progress in the last 10 years in reducing accidental fatalities. This highlights the resilience of our force as our Soldiers find healthier ways to handle the stresses of Army life. In addition to the Army Safety Program, last year the Army began two efforts designed to strengthen our Soldiers, Families and Civilians for the challenges ahead: Comprehensive Soldier Fitness and the Army Campaign for Health Promotion, Risk Reduction and Suicide Prevention. We will institutionalize the best of both of these programs into the force over the next year.

The Network

The last 9½ years of war have demonstrated that the network is essential to a 21st century, expeditionary Army. Networked organizations provide an awareness and understanding required by leaders who must act decisively at all points along the spectrum of conflict, and by Soldiers on the ground who are executing the mission. The network is also essential for planning and operating with Joint, coalition and interagency partners. The network, therefore, is the Army's number one modernization effort.

The Army's portion of the Department of Defense network, LandWarNet, must be able to provide Soldiers, Civilians and mission partners the information they need, when they need it and in any environment—from the garrison to the tactical edge. To do so, it must be a completely integrated and interoperable network, from the highest to the lowest echelon, forming a true enterprise network. The Army is pursuing critical initiatives to build this enterprise capability, including an enterprise e-mail, calendar-sharing and ID management service (through a partnership with the Defense Information Systems Agency), data center consolidation and Active Directory consolidation. These initiatives will increase warfighting effectiveness, improve network security, save hundreds of millions of dollars over the next 5 years and reduce infrastructure. Additionally, the Army is transforming business systems information technology to better support our business operations and strategic leader decisionmaking.

The Army is also changing the way it supplies network systems and capabilities to operational units by using an incremental approach to modernization. By aligning the delivery of new technology with the ARFORGEN process as it becomes available, we ensure the integration of network capability across our combat formations. This "capability set" approach will field enhanced performance in a more timely and efficient manner.

Ground Combat Vehicle

To operate in austere conditions against a lethal, adaptive enemy, our Soldiers need a fighting vehicle that is capable of full spectrum operations with better levels of protection than our current vehicles. To meet that need, the Army is focused on developing a versatile ground combat vehicle that will meet an array of anticipated future requirements and see its first delivery in 7 years. It will provide the needed protection against a variety of threats, including that of improvised explosive devices, and deliver Soldiers to the fight under armor. Even with the significant capabilities that a new Ground Combat Vehicle will provide, it comprises only one element of the Army's overall combat vehicle modernization strategy. Our strategy also addresses improvements to vehicles like the Paladin howitzer and Stryker combat vehicles, integration of the MRAP into our formations and prudent divestment of obsolete systems.

STRATEGIC CROSSROADS

Our Nation and its Army are positioned at a unique point in history. This is not quite like any other year. We must now consider the hard-won lessons of recent

combat experience, current and anticipated resource constraints and the uncertainty of the future. The decisions we make will have far reaching and long lasting implications. This calls for deliberate and thoughtful choices and actions as we determine where to best invest our Nation's precious resources.

Transforming the Generating Force

Over the course of the past decade, the operational Army has evolved dramatically. The need for change was driven by a fundamental reality: daily contact with a decentralized, adaptive, creative and deadly enemy. The Army's generating force, which prepares, trains, educates and supports Army forces worldwide, is also working to rapidly address the demands placed on the organization by both the current and future operating environments. It has performed magnificently to produce trained and ready forces, even while seeking to adapt institutional business processes.

Furthermore, the Army is working to provide "readiness at best value" in order to help us live within the constraints imposed by the national and international economic situation. In short, the need to reform the Army's institutional management processes and develop an Integrated Management System, while continuing to meet combatant commander requirements, has never been more urgent. Thus, to enhance organizational adaptive capacity, while wisely stewarding our resources, the Army initiated a number of efforts along three primary business transformation objectives: establish an enterprise mindset and approach; adapt institutional processes to align with ARFORGEN; and reform the requirements and resource process.

To enable business transformation and foster an enterprise approach, we established the Office of Business Transformation and developed enterprise functions that are facilitated by teams of leaders who focus on the domains of Human Capital, Readiness, Materiel and Services and Infrastructure. At the most strategic level, we established the Army Enterprise Board to provide a forum for Army senior leaders to address organizational strategic choices and tradeoffs. Additionally, we established our Business Systems Information Technology Executive Steering Group to facilitate an enterprise approach to information technology investments.

We are working collaboratively to reform our requirements and resourcing process in order to create an organizationally aligned set of capabilities. As part of that effort, we have initiated an Army Acquisition Review. This review will provide a blueprint for actions over the next 2 years to improve the efficiency and effectiveness of the Army acquisition processes. We've also commissioned a short-term task force to analyze costs, establish credible benchmarks and help us better understand not only where our investment dollars go, but also what we get in return. We are developing a systematic approach to the Army's business processes that will ensure that innovative ideas and efficiencies influence future budgets.

Furthermore, we instituted a portfolio review process that is bringing discipline to our acquisition programs by evaluating and realigning requirements with the reality of today and what we will need in years to come. This Capability Portfolio Review process is providing an overarching detailed analysis and set of recommendations to revalidate, modify or terminate each of our requirements, including research and development, procurement and sustainment accounts. These reviews are helping us identify gaps and unnecessary redundancies, while ensuring good stewardship of our Nation's resources. We are building a foundation that will identify savings, manage strategic risks, maximize flexibility and posture us even more effectively for the future.

Civilian Workforce Transformation

There are approximately 279,000 Civilians in the Army. Adding the Army Corps of Engineers and personnel supported by non-appropriated funds, the number exceeds 335,000 Civilians. That is about 23 percent of our total Army force. Army Civilians live and work in communities throughout our 50 States and U.S. territories and overseas theaters of operation. They comprise 60 percent of our generating force.

This generating force performs many of the essential tasks that support ARFORGEN so our Soldiers can concentrate on their missions. Army Civilians have deployed and stood in support of our Soldiers during the most dangerous and difficult periods of conflict. In fact, over 4,300 Civilians deployed to Iraq or Afghanistan in 2010. The Nation's ability to sustain the all-volunteer force will be difficult and challenged if we do not prioritize development and investment in our most important institutional asset, our people. Now, as never before, we increasingly call upon our Civilian Corps to assume greater levels of responsibility and accountability at organizations throughout the Army, and we must invest in them accordingly. The goal is to become a generating force driven by innovation, able to adapt quickly and

to field what our Soldiers and their Families will require. Therefore, the Army has embarked upon a Civilian Workforce Transformation initiative to pursue five lines of effort.

First, we will integrate requirements determination, allocation and resourcing processes that identify the civilian workforce capabilities. Second, we will improve civilian workforce lifecycle strategy, planning and operations to enhance mission effectiveness. Third, we will establish an integrated management system to support civilian human capital decisionmaking. Fourth, we will deliberately develop Army civilian leaders. Fifth, we will reform the civilian hiring process. By the end of 2011, the Army will implement a comprehensive competency-based Civilian Leadership Development Program and fully implement the Civilian Talent Management Program. These programs will ensure that employees and management understand what is required for success, with realistic career paths and developmental opportunities to achieve success.

The pay-off for this program is four-fold. For Civilians, the transformation will provide an outline for success with the appropriate training and development opportunities to facilitate the achievement of their career goals within the Army. For Commanders, the Civilian Workforce Transformation will provide the right workforce with the right training and development for the current and future mission requirements. For the Army, it will provide a predictable and rational method to articulate requirements and make decisions about resourcing in a fluid environment. Finally, for the Nation, the transformation will provide the investment in human capital required to effectively manage the institutional Army now and in the future.

STEWARDSHIP, INNOVATION AND ACCOMPLISHMENTS

Fiscal Stewardship

We take our responsibility to serve as good stewards of the financial resources the Nation has entrusted to our care very seriously, and we are taking action to improve our ability to manage those resources effectively.

To help our leaders and managers make better resource-informed decisions, we have placed renewed emphasis on cost management throughout the Army. At all levels, from installation to Army Headquarters, we have implemented training and professional development programs to give our people improved cost management skills and a greater understanding of the cost implications of their decisions. Training programs include a graduate-level Cost Management Certificate Course for carefully selected mid-level analysts, professional development courses for general officers and members of the Senior Executive Service, training incorporated into existing courses throughout the Army's formal schooling system and hands-on training in cost-benefit analysis. These programs have reached over 2,700 Soldiers and Civilians, and training continues.

In addition to providing training and professional development, we must give our people the essential tools that will enable them to carry out their cost management responsibilities. Toward this end, we have fielded the General Fund Enterprise Business System (GFEBS) to more than 11,000 users at 14 major installations. As reported by the Government Accountability Office, GFEBS development is on schedule and on budget. Much more than an accounting system, GFEBS is the Army's new business system. It gives managers a greatly improved capability to manage the cost, schedule and performance of their programs and, at the same time, is the centerpiece in our progress toward full auditability of our financial statements

Energy Security and Sustainability

Energy security and sustainability are operationally necessary, financially prudent and are key considerations for Army installations, weapon systems and contingency operations. Energy security means that the Army retains access to energy and can continue to operate when catastrophe strikes and energy supplies are disrupted, cut off or just plain difficult to secure. To remain operationally relevant and viable, the Army must reduce its dependency on energy, increase energy efficiency, and implement renewable and alternate sources of energy.

The Army has established a Senior Energy Council, appointed a Senior Energy Executive, created an Energy Security Office, and adopted a comprehensive energy security strategy. This strategy will not only lead to energy cost savings but help create a more sustainable force with increased endurance, resilience, and force protection. We will enhance our stewardship of our Nation's energy resources and less dependent upon foreign sources of fuel. The Army's logistical tail of the operational energy pipeline is a handicap that must be overcome through technological ad-

vances. We must leverage technology to improve our agility and flexibility against an irregular and decentralized enemy.

On Army installations, we are developing a holistic approach, called Net Zero, to address energy, water, and waste. Net Zero is a force multiplier enabling the Army to appropriately steward available resources, manage costs and provide our Soldiers, Families and Civilians with a sustainable future. In an era of persistent conflict, with a mission of stabilizing war-torn nations, a true stabilizing factor can be that of appropriate resource management. The Net Zero plan ensures that sustainable practices will be instilled and managed throughout the appropriate levels of the Army, while also maximizing operational capability, resource availability and well-being.

We have taken a significant step by incorporating all fuel costs throughout the lifecycle of the equipment as we analyze various alternatives for modernization programs such as the next ground combat vehicle, the Joint Light Tactical Vehicle and the Armed Aerial Scout. This approach enables us to make informed decisions about various alternatives and define energy efficiency performance parameters in capability documents for our program managers and original equipment manufacturers. Of course, not all solutions will involve big pieces of equipment or new vehicles. We are also pursuing technologies on a much smaller scale, such as spray foam tent insulation and shower water recycle systems—investments from which direct energy savings pay off in a matter of months.

We are also working on more efficient generators and power distribution. Development of hardware, software and controls to perform micro-grid implementation is underway for buildings at the Field Artillery Training Center at Fort Sill, Oklahoma. This technology also has potential for use in a deployed operational environment. The Army is preparing to field “smart grid” capabilities for tactical command posts and forward operating base camps that will enable generators to support the larger grid instead of a single end user. As they become scalable and deployable, renewable energy technologies can also be integrated into these smart grids.

THE PROFESSION OF ARMS

The last 9½ years of conflict have had significant impacts on the Army, its Soldiers, Families and Civilians. Many of these are well documented and are being addressed. There remain, however, other consequences that we seek to understand. We will examine the impacts of war on our profession of arms and take a hard look at ourselves—how have we changed as individuals, as professionals and as a profession.

The Army is more than a job; it is a profession. It is a vocation composed of experts in the ethical application of land combat power serving under civilian authority and entrusted to defend the Constitution and the rights and interests of the American people. The level of responsibility is like no other profession—our Soldiers are entrusted to apply lethal force ethically and only when necessary. Also, unlike other professions, the profession of arms is practiced in the chaotic and deadly machinations of war. Along with that awesome responsibility comes both individual and organizational accountability, which we seek to examine as parts of our Profession of Arms.

The American Professional Soldier is an expert and a volunteer, certified in the Profession of Arms and bonded with comrades in a shared identity and culture of sacrifice and service to the Nation and Constitution. The Soldier adheres to the highest ethical standards and is a steward of the future of the profession. Contrasting this are state, non-state and individual actors who operate outside generally accepted moral and ethical boundaries. Because of this, the Army has received tremendous support from the American people and their elected representatives. We are forever grateful for that support, and we do not take it for granted. We understand that this generous support is predicated on the Army’s continued professionalism, guided by our Army creeds, our service oaths and the Army values that anchor our conduct (Loyalty, Duty, Respect, Selfless Service, Honor, Integrity and Personal Courage).

In order to examine the impacts of our current experience on the Profession of Arms, the Army will continue a discussion at all levels in which we will ask ourselves three fundamental questions:

- What does it mean for the Army to be a Profession of Arms?
- What does it mean to be a Professional Soldier?
- After 9 years of war, how are we as individual professionals and as a profession meeting these aspirations?

The dialogue will help inform our understanding on what it means to be a professional Soldier in an era of persistent conflict.

CONCLUSION

The professionalism, dedicated service and sacrifice of our all-volunteer force are hallmarks of the Army—the Strength of our Nation. Soldiers, their Families and Army Civilians continue to faithfully serve our country as we prevail in one of the most challenging times in our Nation’s history.

The Army is achieving its goals to restore balance in fiscal year 2011. We will be transitioning to a period where we must reconstitute the force for other missions; build resilience in our Soldiers, Families and Civilians and diligently maintain our combat edge. We are modernizing the force for the future by developing and fielding versatile, affordable, survivable and networked equipment to ensure Soldiers maintain a decisive advantage over any enemy they might face.

We are responding to the lessons our operating force learned and the changes it made over the past 9½ years by adapting the institutional Army to effectively and efficiently generate trained and ready forces for full spectrum operations. The sector of the Army that trains and equips our Soldiers, the generating force, must be driven by innovation and be able to adapt quickly and field what our Soldiers and their Families will require. We must continue to improve efficiency and reduce overhead expenditures as good stewards of our Nation’s valuable resources. We recognize that institutional change is not only about saving money, and efficiencies are not simply about improving the bottom line. Institutional change is about doing things better, doing them smarter and taking full advantage of the progress, technology, knowledge and experience that we have available to us.

With the trust and confidence of the American public and the support of Congress with appropriate resources, America’s Army will remain the Strength of the Nation.

2011 RESERVE COMPONENT ADDENDUM TO THE ARMY POSTURE STATEMENT

Sections 517 and 521 of the National Defense Authorization Act (NDAA) 1994 require the information in this addendum. Section 517 requires a report relating to implementation of the pilot Program for Active Component Support of the Reserves under Section 414 of the NDAA 1992 and 1993. Section 521 requires a detailed presentation concerning the Army National Guard (ARNG), including information relating to implementation of the ARNG Combat Readiness Reform Act of 1992 (Title XI of Public Law 102–484, referred to in this addendum as ANGCRRA). Section 704 of the NDAA amended Section 521 reporting. Included is the U.S. Army Reserve information using Section 521 reporting criteria. The data included in the report is information that was available 30 September 2010.

Section 517(b)(2)(A). The promotion rate for officers considered for promotion from within the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared with the promotion rate for other officers considered for promotion from within the promotion zone in the same pay grade and the same competitive category, shown for all officers of the Army.

	Fiscal year 2009			Fiscal year 2010		
	AC in RC	Percent ¹	Army average percent ²	AC in RC	Percent ¹	Army average percent ²
Major	56 of 63	88.9	94.1	57 of 67	85.1	92.1
Lieutenant Colonel	16 of 20	80.0	87.9	10 of 12	83.3	88.7

¹ Active component officers serving in reserve component assignments at time of consideration.
² Active component officers not serving in reserve component assignments at the time of consideration.

Section 517(b)(2)(B). The promotion rate for officers considered for promotion from below the promotion zone who are serving as active component advisors to units of the Selected Reserve of the Ready Reserve (in accordance with that program) compared in the same manner as specified in subparagraph (A) (the paragraph above).

	Fiscal year 2009			Fiscal year 2010		
	AC in RC	Percent ¹	Army average percent ²	AC in RC	Percent ¹	Army average percent ²
Major	2 of 4	50.0	6.0	6 of 123	4.9	5.7
Lieutenant Colonel	0 of 1 .....	.....	7.2	0 of 7 .....	.....	10.7

¹ Below the zone active component officers serving in reserve component assignments at time of consideration.
² Below-the-zone active component officers not serving in reserve component assignments at time of consideration.

Section 521(b)

1. The number and percentage of officers with at least 2 years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

ARNG officers: 21,725 or 51.5 percent of which 1,998 were fiscal year 2010 accessions.

Army Reserve officers: 21,378 or 58.8 percent of which 589 were fiscal year 2010 accessions.

2. The number and percentage of enlisted personnel with at least 2 years of active-duty before becoming a member of the Army National Guard or the U.S. Army Reserve Selected Reserve units.

ARNG enlisted—101,896 or 31.9 percent of which 8,281 were fiscal year 2010 accessions.

Army Reserve enlisted—63,670 or 37.5 percent of which 5,592 were fiscal year 2010 accessions.

3. The number of officers who are graduates of one of the service academies and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In fiscal year 2010, there were two Service Academy graduates released from active duty before completing their obligation to serve in the Army Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In fiscal year 2010, under section 1112(a)(2) of ANGCRRA the Secretary of the Army granted no waivers to the Army National Guard.

In fiscal year 2010, under section 1112(a)(2) of ANGCRRA the Secretary of the Army granted two waivers to the Army Reserve. The waivers afforded Soldiers the opportunity to play a professional sport and complete their service obligation.

4. The number of officers who were commissioned as distinguished Reserve Officers' Training Corps graduates and were released from active duty before the completion of their active-duty service obligation and, of those officers:

a. The number who are serving the remaining period of their active-duty service obligation as a member of the Selected Reserve pursuant to section 1112(a)(1) of ANGCRRA:

In fiscal year 2010, there are no distinguished Reserve Officers Training Corps (ROTC) graduates serving the remaining period of their active-duty service obligation as a member of the Selected Reserve.

b. The number for whom waivers were granted by the Secretary of the Army under section 1112(a)(2) of ANGCRRA, together with the reason for each waiver:

In fiscal year 2010, the Secretary of the Army granted no waivers.

5. The number of officers who are graduates of the Reserve Officers' Training Corps program and who are performing their minimum period of obligated service in accordance with section 1112(b) of ANGCRRA by a combination of (a) 2 years of active duty, and (b) such additional period of service as is necessary to complete the remainder of such obligation served in the National Guard and, of those officers, the number for whom permission to perform their minimum period of obligated service in accordance with that section was granted during the preceding fiscal year:

In fiscal year 2010, there were 20 ROTC graduates released early from an active-duty obligation. The following is a breakdown of the ROTC graduates that are completing the remainder of their service obligation in a Reserve Component.

ARNG: 1

USAR: 19

6. The number of officers for whom recommendations were made during the preceding fiscal year for a unit vacancy promotion to a grade above first lieutenant, and of those recommendations, the number and percentage that were concurred in by an active duty officer under section 1113(a) of ANGCRRA, shown separately for each of the three categories of officers set forth in section 1113(b) of ANGCRRA (with Army Reserve data also reported).

There are no longer active and reserve component associations due to operational mission requirements and deployment tempo. Active component officers no longer concur or non-concur with unit vacancy promotion recommendations for officers in associated units according to section 1113(a). However, unit vacancy promotion boards have active component representation.

In fiscal year 2010, the ARNG recommended 1,913 ARNG officers (Title 10; Title 32; ADSW; AD; M-Day) for a position-vacancy promotion and promoted 1,913. The number consists of 265 U.S. Army Medical Department, 1,595 Army Promotion List and 53 Chaplains. Of the 1,913 promoted officers, 1,053 were M-Day Soldiers consisting of 175 U.S. Army Medical Department, 844 Army Promotion List and 34 Chaplains.

In fiscal year 2010, the Army Reserve recommended 63 officers for a position-vacancy promotion and promoted 63.

7. The number of waivers during the preceding fiscal year under section 1114(a) of ANGCRRRA of any standard prescribed by the Secretary establishing a military education requirement for non-commissioned officers and the reason for each such waiver.

In fiscal year 2010, 1,607 ARNG Noncommissioned Officers received a promotion to the next rank without the required military education (based on a waiver agreement that extends the time Soldiers have to complete the educational requirement). Of those, 648 completed their military education requirements. The majority of waivers were deployment related.

In fiscal year 2010, 486 Army Reserve Noncommissioned Officers received a military education waiver (based on a waiver agreement that extends the time Soldiers have to complete the educational requirement). Of those, 257 waivers received approval based on deployment and/or operational mission requirements.

Waiver consideration is case-by-case. The criteria for waiver consideration are: (1) eligible for promotion consideration, (2) recommended by their State (for ARNG), (3) disadvantaged as a direct result of operational deployment conflict, and (4) no available training quota. This includes Soldiers deployed or assigned to Warrior Transition Units (WTU) (Medical Hold or Medical Hold-Over Units) with a medical condition. Some waiver requests did not meet the criteria.

The Secretary of the Army has delegated the authority for the waivers referred to in section 114(a) of ANGCRRRA to the Director, ARNG and to the Commander, U.S. Army Reserve Command. The National Guard Bureau and the U.S. Army Reserve Command maintain details for each waiver.

8. The number and distribution by grade, shown for each State, of personnel in the initial entry training and non-deployability personnel accounting category established under section 1115 of ANGCRRRA for members of the Army National Guard who have not completed the minimum training required for deployment or who are otherwise not available for deployment. (Included is a narrative summary of information pertaining to the Army Reserve.)

In fiscal year 2010, the ARNG had 47,804 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training; medical issues; medical non-availability; pending administrative or legal discharge; separation; officer transition; non-participation or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment). The National Guard Bureau (NGB) maintains the detailed information.

In fiscal year 2010, the Army Reserve had 48,229 Soldiers considered non-deployable for reasons outlined in Army Regulation 220-1, Unit Status Reporting (e.g., initial entry training; medical issues; medical non-availability; pending administrative or legal discharge; separation; officer transition; non-participation or restrictions on the use or possession of weapons and ammunition under the Lautenberg Amendment). The U.S. Army Reserve Command (USARC) maintains the detailed information.

9. The number of members of the Army National Guard, shown for each State, that were discharged during the previous fiscal year pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment within 24 months after entering the National Guard. (Army Reserve data also reported.)

The number of ARNG Soldiers discharged during fiscal year 2010 pursuant to section 1115(c)(1) of ANGCRRRA for not completing the minimum training required for deployment after entering the Army National Guard is 131 officers and 265 enlisted Soldiers from all U.S. States and territories. NGB maintains the breakdown by each State. The numbers represent improvement driven by the Recruit Force Pool (RFP) and by miscellaneous administrative actions. The RFP initiative changed the way ARNG accounts for Soldiers. ARNG does not count Soldiers until the accession process is complete and they have an assigned position. Administrative improvements included an aggressive effort to eliminate Negative End Strength (defined as Soldiers who have been on the NOVAL Pay list for 3 months or more, have expired ETS dates, in a Non-MOSQ status

for 21 months or more, or in the Training Pipeline with no class reservation). These improvements helped the ARNG meet the End Strength Ceiling of 358,200 by the end of fiscal year 2010 by moving those Soldiers into the Inactive National Guard (ING).

The number of Army Reserve Soldiers discharged during fiscal year 2010 for not completing the minimum training required for deployment after entering the Army Reserve is 30 officers and 62 enlisted Soldiers. Under AR 135–175, Separation of Officers, separation actions are necessary for Officers who have not completed a basic branch course within 36 months after commissioning. Under AR 135–178, Separation of Enlisted Personnel, separation actions are necessary for Soldiers who have not completed the required initial entry training within the first 24 months.

10. The number of waivers, shown for each State, that were granted by the Secretary of the Army during the previous fiscal year under section 1115(c)(2) of ANGCRRA of the requirement in section 1115(c)(1) of ANGCRRA described in paragraph (9), together with the reason for each waiver.

In fiscal year 2010, there were no waivers granted by the Secretary of the Army for the U.S. Army Reserve or the Army National Guard.

11. The number of Army National Guard members, shown for each State, (and the number of AR members), who were screened during the preceding fiscal year to determine whether they meet minimum physical profile standards required for deployment and, of those members: (a) the number and percentage that did not meet minimum physical profile standards for deployment; and (b) the number and percentage who were transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

a. The number and percentage who did not meet minimum physical profile standards required for deployment:

In fiscal year 2010, 163,457 ARNG Soldiers underwent a Periodic Health Assessment (PHA). There were 7,936 or 4.8 percent of personnel identified for review due to a profile-limiting condition or failure to meet retention standards.

In fiscal year 2010, 162,749 Army Reserve Soldiers underwent a Periodic Health Assessment (PHA). There were 15,025 or 9.2 percent of personnel identified for review due to a profile limiting condition or failure to meet retention standards.

b. The number and percentage that transferred pursuant to section 1116 of ANGCRRA to the personnel accounting category described in paragraph (8).

In fiscal year 2010, the ARNG identified 7,936 or 4.8 percent of Soldiers for a review due to a profile limiting condition or failure to meet retention standards; and transferred to a medically non-deployable status.

In fiscal year 2010, the Army Reserve identified 15,025 or 9.2 percent of Soldiers for a review due to a profile limiting condition or failure to meet retention standards; and transferred to a medically non-deployable status.

On August 23, 2010, the Department of Defense implemented a change to how the Army measures Individual Medical Readiness (IMR). The new way of measuring medical readiness by classifying Soldiers into Medical Readiness Categories (MRC) reduced the number of Soldiers considered medically non-deployable (MND) in the reserve component. This information is available through the Army's medical readiness database, MEDPROS.

12. The number of members and the percentage total membership of the Army National Guard shown for each State who underwent a medical screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104–106 (NDAA 1996), Division A, Title VII, Section 704(b), February 10, 1996, repealed Section 1117 of ANGCRRA.

13. The number of members and the percentage of the total membership of the Army National Guard shown for each State who underwent a dental screening during the previous fiscal year as provided in section 1117 of ANGCRRA.

Public Law 104–106 (NDAA 1996), Division A, Title VII, Section 704(b), February 10, 1996, repealed Section 1117 of ANGCRRA.

14. The number of members and the percentage of the total membership of the Army National Guard shown for each State, over the age of 40 who underwent a full physical examination during the previous fiscal year for purposes of section 1117 of ANGCRRA.

Public Law 104–106 (NDAA 1996), Division A, Title VII, Section 704(b), February 10, 1996, repealed Section 1117 of ANGCRRA.

15. The number of units of the Army National Guard that are scheduled for early deployment in the event of a mobilization, and of those units, the number that are dentally ready for deployment in accordance with section 1118 of ANGCRRA.

Public Law 104–106 (NDAA 1996), Division A, Title VII, Section 704(b), February 10, 1996, repealed Section 1118 of ANGCRRRA.

16. The estimated post-mobilization training time for each Army National Guard combat unit (and Army Reserve unit), and a description, displayed in broad categories and by State of what training would need to be accomplished for Army National Guard combat units (and AR units) in a post-mobilization period for purposes of section 1119 of ANGCRRRA.

Per January 2007 direction from the Secretary of Defense reserve component unit mobilizations are now limited to 400-day periods, including post-mobilization training time, a 30-day post-mobilization leave and 5 days out-processing. Timely alert for mobilization—at least 1 year prior to mobilization—is crucial. Many training tasks previously conducted during post-mobilization occurs in local training areas before mobilization. First Army, in CONUS, manages and directs post-mobilization training for reserve component conventional forces conducts the theater-specified training required and confirms the readiness of mobilized units to deploy. A unit’s post-mobilization training time depends on how many of the pre-mobilization tasks they complete in pre-mobilization. Whatever pre-mobilization tasks they do not complete during pre-mobilization training, they will complete the remaining tasks at the mobilization station.

First Army Pre-Deployment Training in support of Combatant Commanders’ guidance identifies four categories of deploying units. CAT 1 includes units that rarely, if ever, travel off a Contingency Operating Base/Forward Operating Base (COB/FOB). CAT 2 includes units that will or potentially will travel off a COB/FOB for a short duration. CAT 3 includes units that will travel and conduct the majority of their missions off a COB/FOB. CAT 4 is maneuver units with an Area of Operations (such as BCTs). The pre-mobilization tasks per category increase up to CAT 4. A CAT 4 unit spends between 58–60 training days at mobilization station for post-mobilization training. The target is 45 training days. A CAT 4 unit is required to perform a Combat Training Center (NTC or JRTC) culminating training event (30 days) during post-mobilization in order to meet validation requirements and deploy.

Army goals for post-mobilization training for reserve component headquarters and combat support, and combat service support units range from 15 to 45 days, depending on the type/category of the unit, and does not include administrative and travel days. Post-mobilization training conducted by First Army typically consists of counterinsurgency operations; counter-improvised-explosive-device training; convoy live-fire exercises; theater orientation; rules of engagement and escalation-of-force training; and completion of any theater-specified training not completed during the pre-mobilization period. Below is an outline of typical post-mobilization periods for various units:

Unit structure	Post-MOB TNG days	
	Legacy	Current
Military Police Battalion (I/R)	90	53
Engineer Company (Construction)	90	58
Medium Truck Company	90	49
Transportation Detachment	90	37
Infantry Battalion	174	71
Expeditionary Sustainment Command	168	37

17. A description of the measures taken during the preceding fiscal year to comply with the requirement in section 1120 of ANGCRRRA to expand the use of simulations, simulators, and advanced training devices and technologies for members and units of the Army National Guard (and the Army Reserve).

During fiscal year 2010, the Army Reserve and Army National Guard continued to synchronize the use of existing and ongoing live, virtual, and constructive training aids, devices, simulations and simulators (TADSS) programs with the training requirements of the ARFORGEN training model. By synchronizing the use of TADSS with ARFORGEN, the ARNG continues to improve unit training proficiency prior to mobilization.

To support the training requirements of M1A1 Abrams and M2A2 Bradley equipped Brigade Combat Teams (BCT’s) the ARNG continued to use the Advanced Bradley Full-Crew Interactive Simulation Trainer and Abrams Full Crew Interactive Simulation Trainer, which provide full crew-simulations training for M1A1 and M2A2 units. The ARNG continued fielding Tabletop Full-fidelity Trainers for the M2A2 units and cross leveling of the Conduct of Fire

Trainer XXI for M1A1 units. When fully fielded, these devices, in addition to the Conduct of Fire Trainer-Situational Awareness (COFT-SA) and Conduct of Fire Trainer Advanced Gunnery Trainer System (CAGTS) will be the primary simulation trainers to meet the virtual gunnery requirements of M1A1 and M2A2 crews.

In order to train all ARNG units on the tactics, techniques, and procedures (TTPs) of convoy operations, the ARNG has fielded the Virtual Convoy Operations Trainer (VCOT). The VCOT with geo-specific databases provides commanders with unique and critical mission rehearsal tool. Currently, all 54 States and Territories have received this capability, providing a mobile training capability available to all Soldiers throughout the ARNG.

To meet basic and advanced rifle marksmanship requirements, the ARNG is continuing to field the Engagement Skills Trainer (EST 2000). This system is the Army's approved marksmanship training device. The ARNG is also continuing the use of its previously procured Fire Arms Training System (FATS) until EST 2000 fielding is completed. The EST 2000 and FATS also provides static unit collective gunnery and tactical training, and shoot/don't shoot training. These systems also support units conducting vital homeland defense missions.

The Army Reserve has a number of low-density simulators it employs to reduce expensive "live" time for unique combat service support equipment. For example, Army Reserve watercraft units train on the Maritime Integrated Training System (MITS), a bridge simulator that not only trains vessel captains but the entire crew of Army watercraft. Other simulators include locomotive simulators used by Army Reserve railroad units and a barge derrick simulator for floating watercraft maintenance units.

The reserve components supplement their marksmanship-training strategy with the Laser Marksmanship Training System (LMTS). The use of LMTS helps to develop and maintain basic marksmanship skills, diagnose and correct problems, and assessing basic and advanced skills. The ARNG has over 900 systems fielded down to the company level. The LMTS is a laser-based training device that replicates the firing of the Soldier's weapon without live ammunition. EST 2000 systems have been fielded to many Army Reserve Engineer and Military Police organizations to enable full use of its training capabilities by units with high densities of crew-served weapons their at home stations.

The Improvised Explosive Device Effects Simulator (IEDES) supports the training requirements for the detection, reaction, classification, prevention and reporting of Improvised Explosive Devices. The ARNG also continues to field IEDES kits. The configuration of IEDES kits are set to simulate Small, Medium, Large, and Extra Large Explosive signatures. The IEDES kits provide realistic battlefield cues and the effects of Explosive Hazards to Soldiers in both a dismounted and mounted operational status.

The ARNG continues to develop its battle command training capability through the Battle Command Training Capability Program (BCTCP). This program provides live, virtual, constructive and gaming (LVC&G) training support at unit home stations via mobile training teams. Units can also train at Battle Command Training Centers (BCTC). The BCTCP consists of three BCTCs at Camp Dodge, Iowa; Fort Indiantown Gap, Pennsylvania; and Fort Leavenworth, Kansas, and a regional Distributed Mission Support Team (DMST). The Army Campaign Plan 2010 requires the ARNG to train 172 units (Brigade equivalents and above). The BCTCP synchronizes ARNG battle command training capabilities to help units plan, prepare and execute battle staff training. The objective is to develop proficient battle command staffs and trained operators during pre-mobilization training.

In order to provide the critical Culminating Training Event for the U.S. Army Forces Command (FORSCOM) Army Force Generation (ARFORGEN) Cycle, the ARNG has implemented the Exportable Combat Training Capability (XCTC) Program. The ARNG XCTC program provides Battalion Battle Staff training to the level organized, coupled with a theater immersed, mission focused training event to certify company level proficiency prior to entering the ARFORGEN Available Force Pool Defined as Certified Company Proficiency with demonstrated Battalion Battle Staff proficiency, competent leaders, and trained Soldiers prepared for success on the battlefield.

18. Summary tables of unit readiness, shown for each State, (and for the Army Reserve), and drawn from the unit readiness rating system as required by section 1121 of ANGCRRRA, including the personnel readiness rating information and the equipment readiness assessment information required by that section, together with:

a. Explanations of the information:

Readiness tables are classified. The Department of the Army, G-3, maintains this information. The States do not capture this data.

b. Based on the information shown in the tables, the Secretary's overall assessment of the deployability of units of the ARNG (and Army Reserve), including a discussion of personnel deficiencies and equipment shortfalls in accordance with section 1121:

Summary tables and overall assessments are classified. The Department of the Army, G-3, maintains this information.

19. Summary tables, shown for each State (and Army Reserve), of the results of inspections of units of the Army National Guard (and Army Reserve) by inspectors general or other commissioned officers of the Regular Army under the provisions of Section 105 of Title 32, together with explanations of the information shown in the tables, and including display of:

a. The number of such inspections;

b. Identification of the entity conducting each inspection;

c. The number of units inspected; and

d. The overall results of such inspections, including the inspector's determination for each inspected unit of whether the unit met deployability standards and, for those units not meeting deployability standards, the reasons for such failure and the status of corrective actions.

During fiscal year 2010, Army National Guard Inspectors General and other commissioned officers of the Regular Army conducted inspections of the Army National Guard. The total number of ARNG units that were inspected were 1,193, plus an additional 26 United States Property and Fiscal Offices (USPFOs), totaling 1,219 inspections. Regular Army Officers assigned to the respective States and Territories as Inspectors General executed the inspections. The Department of the Army Inspector General, 1st U.S. Army, U.S. Army Forces Command (FORSCOM); Communications-Electronics Command (CECOM); and various external inspection agencies conducted the remaining 128 inspections. Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these inspections did not receive a pass/fail rating. Requests for inspections results must go through the Inspector General of the Army.

During fiscal year 2010, the Chief, Army Reserve, directed the Inspector General to conduct special assessments in the areas of Rear Detachment Operations (RDO) and Post Deployment Health Reassessment (PHDRA). Commissioned officers of the Army Reserve inspected 81 units. Because the inspections conducted by Inspectors General focused on findings and recommendations, the units involved in these assessments did not receive a pass/fail rating. Requests for inspections results must go through the Inspector General of the Army.

20. A listing, for each ARNG combat unit (and U.S. Army Reserve FSP units) of the active-duty combat units (and other units) associated with that ARNG (and U.S. Army Reserve) unit in accordance with section 1131(a) of ANGCRRRA, shown by State, for each such ARNG unit (and for the U.S. Army Reserve) by: (A) the assessment of the commander of that associated active-duty unit of the manpower, equipment, and training resource requirements of that National Guard (and Army Reserve) unit in accordance with section 1131(b)(3) of the ANGCRRRA; and (B) the results of the validation by the commander of that associated active-duty unit of the compatibility of that National Guard (or U.S. Army Reserve) unit with active duty forces in accordance with section 1131(b)(4) of ANGCRRRA.

There are no longer formal ground combat active or reserve component associations due to ongoing theater operational mission requirements and deployment tempo.

First Army, as FORSCOM's executive agent, and the 196th Infantry Brigade, as U.S. Army Pacific's executive agent, executes the legislated active duty associate unit responsibilities through both their pre-mobilization and post-mobilization efforts with reserve component units. When reserve component units mobilize, they are thoroughly assessed in terms of manpower, equipment, and training by the appropriate chain of command, and that assessment is approved by First Army or USARPAC as part of the validation for unit deployment.

Validation of the compatibility of the Reserve Component units with the active duty forces occurs primarily during training and readiness activities at mobilization stations, with direct oversight of First Army, USARPAC, and FORSCOM.

21. A specification of the active-duty personnel assigned to units of the Selected Reserve pursuant to section 414(c) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (10 USC 261 note), shown (a) by State for the Army

National Guard (and for the U.S. Army Reserve), (b) by rank of officers, warrant officers, and enlisted members assigned, and (c) by unit or other organizational entity of assignment.

	Title XI (fiscal year 2010) authorizations				Title XI (fiscal year 2010) assigned			
	OFF	ENL	WO	Total	OFF	ENL	WO	Total
U.S. Army Reserve	97	110	8	215	21	117	1	139
TRADOC	50	3	53	106	36	3	39	39
FORSCOM	979	2,165	101	3,245	671	2,296	83	3,050
USARPAC	30	49	1	80	31	54	1	86
Total	1,156	2,327	110	3,593	759	2,470	85	3,314

As of September 30, 2010, the Army had 3,314 active component Soldiers assigned to Title XI positions. Army G-1, and U.S. Army Human Resources Command carefully manages the authorizations and fill of Title XI positions. The states do not capture this data.

Chairman INOUE. Now may I call upon the new Chief of Staff of the United States Army, General Dempsey. General.

STATEMENT OF GENERAL MARTIN E. DEMPSEY, CHIEF OF STAFF

General DEMPSEY. Thank you very much, Chairman Inouye, Vice Chairman Cochran. Thank you for the opportunity to discuss our Army with you this morning.

And thank you, Mr. Secretary, for the vote of confidence.

Since I assumed the duties as the 37th Chief of Staff of the Army, I have worked to get a feel for where we are and help inform my thoughts about where we need to go in the future.

One of the very first things I did was go to Iraq and Afghanistan to visit our troops to see firsthand their accomplishments and to thank them for their courage, their sacrifice, and their service. I visited soldiers and families back here in the continental United States as well, and this weekend, I will visit our Corps of Engineers who are working tirelessly to combat the historic flood levels along the Mississippi River valley. And then I will travel to Fort Carson, Colorado to hand out some awards at our Wounded Warrior Games.

What we are able to do as an Army at home and abroad for soldiers, families, and for our wounded is a testament to the sustained support of this subcommittee. We have our challenges, but where it matters most on the ground around the world, American soldiers, Active, Guard, and Reserve, are getting it done and achieving the Nation's objectives in ways that should inspire all Americans.

To ensure we continue to provide what the Nation needs from its Army, I have begun to articulate where I intend to focus my energy as Chief of Staff, and I would like to share just a few thoughts about that this morning.

We recognize our responsibility to prevail in the wars that we are fighting, prepare for the challenges of an uncertain future, prevent and deter threats against the United States, its interests, our allies, and partners, and preserve the all-volunteer force as those tasks are laid out for us in our national security strategy and in the Quadrennial Defense Review.

To do that, we must maintain an appropriate end strength, a versatile force structure, and an array of capabilities. We must train and equip our forces to overmatch any adversary and we must meet our obligations to soldiers, families, and wounded warriors who have sacrificed much over the last 10 years of sustained conflict.

We also recognize that we must not only be good stewards of the resources you have provided, but look for smarter and better ways to provide the Nation the capabilities that we need. We must find the right balance between end strength and operational tempo. To preserve our options, we are considering, for example, how best to reduce the 27,000 temporary end strength increase we received 2 years ago and the 27,000 permanent end strength reduction plan between now and 2015.

All of us have come to realize the impacts of end strength and demand on the Army's operational tempo, and we are always assessing our force generation models and what you know as our BOG/dwell ratio, boots on the ground/time at home. We are currently examining whether we can transition to a 9-month deployment with a 27-month dwell at home as our objective for the active component. We assess that this would alleviate some of the pressures on the force while still meeting the demands of the combatant commanders and fulfilling our obligations to the Nation.

Our obligations to the soldiers, families, and Army civilians, Active, Guard, and Reserve who comprise this great Army are simple. Give them what they need to win, provide them and their families with support and services that recognize their sacrifice.

The Secretary discussed several of our modernization programs. With his support, I have also initiated an analysis of the squad as our fundamental fighting element. As an Army, no one can challenge us at corps level, division level, brigade level, or battalion level. I want to ensure we have done as much as possible to make sure that that same degree of overmatch exists at the squad level. Simply stated, we have decided to take a look at our Army from the bottom up and see what we learn.

This does not mean we are going to stack even more gear on the individual soldier who is already strained by the load they have to carry in combat. What it means is that we will look at the squad as a collective whole, not nine individual soldiers, and determine how to enable it from the bottom up to ensure that the squad as the training, leadership, doctrine, power and energy, protection and lethality to win when we send them into harm's way.

I assure all of you that this Nation has never had a better organized, a better trained, or a better equipped Army. Of course, that is in large measure because we have never been better resourced, and for that our Army owes you a great debt of gratitude. As our resourcing changes, we will adapt as we have many other times in our history, but we will be adapting from a position of great strength. And I could not be prouder of what our soldiers have done and will continue to do to support our Nation's interests around the world.

I look forward to working with Secretary McHugh and the members of this subcommittee to make our Army smarter, better and more capable with the resources we are given. We remain an Army at war and we will be for the foreseeable future. We will do whatever it takes to achieve our objectives in the current fights and we will provide the Nation with the greatest number of options for an uncertain future.

Thank you very much, and I look forward to taking your questions.

Chairman INOUE. Thank you very much, General Dempsey.

TEMPORARY END STRENGTH

As noted by both of you, the Secretary of Defense has indicated a plan to reduce our active Army forces by 27,000 by fiscal year 2016 or 2015. First, I would like to know whether you consider this a reasonable plan, and second, how do you propose to do it?

Mr. MCHUGH. Mr. Chairman, as I know you and the other members of the subcommittee understand, we have spent a lot of time with the Secretary and the people at OSD to make sure that the way forward on this makes sense, that we are not buying an unreasonable amount of risk.

The two phases I think need to be considered very separately. The temporary end strength, the 22,000, was something that we always assumed would be coming down in the near term rather than the far term. We were concerned that we not have to begin that process immediately. We felt, at the time that discussions were ongoing, that indeed the OPSTEMPO was such that those 22,000 continue to serve a purpose, and the Secretary, I think it is fair to say, understood and agreed with that and has allowed us to hold that 22,000 until March of next year when we think, particularly given the ongoing drawdown in Iraq, that we can take that reduction in force structure in stride and, in fact, do it in a way that produces both savings and a responsible force at the end of it.

As the Secretary has also said with respect to the second tranche, due to begin in 2015 and 2016, on the 27,000, that that is conditions-based. And based upon what the President has spoken about and our NATO allies with respect to beginning drawdowns of some yet-to-be-determined number this summer based on General Petraeus' recommendations—I assume that will be received by the White House in the near future—you can start to look for a path forward. Beyond that, as our NATO partners have agreed, they expect to have major operations begin to cease in 2014 in Afghanistan and if conditions on the ground allow that to continue, we feel very comfortable that the 27,000 is a very achievable target as well.

FUTURE DRAWDOWN

I think the question for us, frankly, is how do we shape that drawdown and what is the ramp in which we assume it. So we are looking through our total Army analysis that we do routinely with respect to how the Army looks as to where the numbers should come from, how the ramp should be structured in a way that can go forward reasonably in way that does not place our soldiers at greater risk.

Chairman INOUE. General Dempsey.

General DEMPSEY. Yes, I would simply add, Senator, that I think it is a reasonable plan. Like any plan, it is based on some assumptions, and if those assumptions play out, then the plan will be prudent. If the assumptions are changed in any way, then we would have to come back and readdress them.

But as I mentioned to you earlier, we also want to look not just at this immediate challenge, but we want to look beyond and determine what does the Nation need of its Army notionally in 2020 and make sure that these changes are building toward that Army so that we do not end up making these adjustments on an annual basis.

ACQUISITION PROGRAMS

Chairman INOUE. Mr. Secretary and General, the United States Army has been rather unsuccessful in fielding major acquisition

programs in recent years. Significant terminations include future combat system, the armed reconnaissance helicopter, the Comanche, and many, many more. Last summer, you commissioned a study to identify the causes of these failures which have cost the taxpayers about \$100 billion.

Would you tell the committee what you discovered and how you plan to improve Army acquisition?

Mr. MCHUGH. If I may, Mr. Chairman, I will start and then certainly would defer to the Chief for anything he would like to add.

As you noted, we viewed that study as long overdue. This really was something that General Casey had been thinking about for some time before actually I came to the building. And I was pleased that we were able to work together and bring a cadre of top-notch people to take an outside look. It was headed by a former commander of the Army, Materiel Command, and a former Army acquisition executive, ASAALT, and the team that they put together was really a blue ribbon panel of folks who had both been involved, most of them over a career in acquisition and who probably understood it better than we did.

They came back with 76 recommendations, some of which were revelatory. I had a meeting, in fact, this week with our acquisition people, including the ASAALT, to talk about those recommendations to see where we are in implementing them. It was, indeed, that report that pointed out the failures of the various platforms that you mentioned and the significant costs to the taxpayer.

And I think the number one thing—and it was obvious on its face, but how we respond to it is another matter—was our inclination in the past to not control requirements. And we have seen that in a number of programs, and FCS I think is the poster child for it, as is the presidential helicopter where requirements keep getting built on and built on. The time of the acquisition stretches out, and pretty soon the cost has skyrocketed and you have an underperforming program to state the least.

GROUND COMBAT VEHICLE

So we tried to do a better job in stating the requirements, keeping them less reliant on immature or unavailable technologies. We have introduced competition, for example, through the ground combat vehicle program so that we can have that cost containment influence there.

And I think the ground combat vehicle is a very good example of how we are doing better. When the request for proposal (RFP) for the ground combat vehicle went out, there were 990 tier 1 requirements. That was at the outset before we had actually seen a spiral of increased requirements. To the Corps' credit on the acquisition side of the equation, they looked at it and said to themselves, here we go again. And it was a tough decision, but they recalled that RFP. And as a result of the reexamination, they reduced the tier 1 requirements by 75 percent and put the rest of the requirements up into tier 2 and tier 3 where you can trade, as the development goes forward, for costs. So a tough decision, but one, at the end of the day, I think was very soundly supported by the industry and will serve not just the Army, but the taxpayers more fairly as well.

So we want to do a better job. We are implementing the study's reports, and in fact, we have either implemented or are taking steps right now to implement all but 13 of the 76 recommendations. We are taking a more careful look at 13 of those. So we are going to do a better job, and it is not just a matter of the Army's responsibility to the Army. It is a matter of our responsibility to the taxpayer.

Chairman INOUE. General.

General DEMPSEY. Thank you, sir.

You know, we actually have done well on ACAT II and III programs and on some rapid adaptation and rapid equipment fielding initiatives. So the real challenge for us is to figure out why did we do so well in some of these rapid acquisition procedures and not so well in the very deliberate DOD 5000 series of acquisitions.

PROCUREMENT PROCESS

And I think we will learn that we have got some work to do merging the requirements with the procurement objectives. I think we will probably find ourselves in a position of believing that we should pull the future toward us and not have aspirations to deliver programs much beyond 7, 8, 9 years. When they stretch beyond that, they become, by the definition of the word, "incredible," and we are lacking credibility.

So I think it is a combination of the Decker-Wagner recommendations. I think we have to look at the acquisition regulations particularly for the long lead time procurement programs and we got to merge requirements in procurement and senior leadership integration much sooner in the process.

Chairman INOUE. We will have to continue on discussions on this.

But now may I call upon Senator Cochran.

HELICOPTER REPLACEMENT

Senator COCHRAN. Mr. Chairman, I think it is disturbing to review the difficulties faced, not of their own making, but the current leadership of the Army is confronted with replacing helicopters and doing something about aging tanks. And so it seems like a lot of things are piling up at once that cost an awful lot of money.

I listened carefully to your responses to Senator Inouye's question, and I am not exactly sure what you said. In terms of what is the plan for replacing reconnaissance helicopters, has the Army agreed on what it wants or what it needs? Is there a contract in place now that will replace the helicopters? And the same thing for the tank.

Mr. MCHUGH. We do have an ongoing need for an armed reconnaissance helicopter, and we do have a plan by which we are going to approach that challenge. We are not, as yet, in an acquisition program. We have what we call a CASUP, which is what the cockpit upgrade program, in the near term for the Kiowa Warrior that I think with high reliability we will extend the viability of that platform probably till 2023, and in the interim, we have to begin to look at the analysis of alternatives and develop an RFP for a follow-on to the Kiowa Warrior. So when the Comanche was cancelled, it did not end the enduring requirement. So we have a plan,

but we do not have answers yet as to what exactly the next platform will look like, but we have laid a process forward.

As to the tank, actually the Abrams platform is amongst the most modern of any system in our Army. The average year of the M1A2 Abrams is about 2 years, but the ground combat vehicle is our critical development program to really provide the survivability of an MRAP with the maneuverability of a Stryker and the lethality of a Bradley. So as you know, Senator, this budget requests \$884 million for that program. So we think the GCB is on track.

We do have, as you noted, a lot of platforms out there that are aging out, and what we are trying to do is align ourselves in a responsible manner so we can use the dollars that we have for the follow-on developments wisely. In most of those cases, we have a way forward that we would be glad to talk to you about in greater detail at your convenience.

Senator COCHRAN. General.

General DEMPSEY. No, I have nothing further to add. I have nothing to add to the Secretary's response.

Senator COCHRAN. Thank you, Mr. Chairman.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

MISSILE DEFENSE

Mr. Secretary, in the area of Army ballistic missile defense, I want to ask if you could comment on two programs in particular: Patriot and the Integrated Air and Missile Defense Battle Command System, or IBCS. Could you describe just for the subcommittee the importance of those programs to the warfighter, and how are those programs performing budget- and schedule-wise?

Mr. MCHUGH. It would be hard to, from the Army perspective, overstate the importance of those programs.

Senator SHELBY. Would you say they are of the utmost importance?

Mr. MCHUGH. I think that is a fair description, Senator. The PAC-3 is our protection system against ballistic, air-breathing threats. We are very, very comfortable with the capabilities that it provides. All of our launchers now in the Army have PAC-3 capability. So we think that program has been incredibly important, and in the near term, I do not see that changing.

Senator SHELBY. It has recently come to our attention that the Army is considering perhaps transferring its missile defense budget and program responsibilities to the Missile Defense Agency (MDA). I am concerned that Patriot and IBCS which, as you have said, are critical to our warfighters in performing well, could be used as bill payers for programs that MDA considers a higher priority. Could you explain to the subcommittee the status and the details of this proposal, where it is, and how can you assure that the budget for Patriot and IBCS will be protected if MDA controls the funding?

Mr. MCHUGH. Well, if that were to go forward—and we do think there are some efficiencies and some logic behind that, in fact, occurring. But if that were to go forward, there would be Army representation within that organization at the highest level. And as I just said to you, the Army would be very, very ill-disposed against

using Patriot PAC-3 as a bill payer, and we would have to fight that battle as we go forward. But at this moment, I do not have any indication that that would be the case.

SPACE AND MISSILE DEFENSE COMMAND

Senator SHELBY. General Dempsey, in the area of the Space and Missile Defense Command (SMDC) which conducts space and missile defense operations for the Army, as you well know, and in support of the U.S. Strategic Command, as we look into the future, how would you think SMDC's mission will evolve and grow? Will it continue to be a vital part of the Army and contributor to STRATCOM? And finally, is the SMDC budget request adequate to fulfill the mission that you envision for the command?

General DEMPSEY. I will begin at the latter part of your question, Senator. I do think that the budget submission is adequate to the current task load at SMDC.

I also would agree with the Secretary that the role of space in support of ground military operations is vital. As you know, we have done some war gaming on a day without space, and what that might mean in terms of global positioning, precision weapons, and all of that. So we clearly understand the importance of it.

I am quite confident that SMDC, as an Army subcomponent command of Strategic Command is well placed and well represented, but we will keep an eye on it.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Chairman INOUE. Senator Coats.

Senator COATS. Mr. Chairman, I just want to state from the outset that we are all going to be facing difficult decisions in the days and months and years ahead relative to the budget, and I am hoping that we can work on sensible efficiencies within the military. It is clearly our number one constitutional responsibility, and we want to make sure we are adequately prepared and adequately funded to do that.

Yet, at the same time, I think all of us have to stretch a little bit—and some more than others—to find those efficiencies and do more with less. So I look forward to working with the Department of the Army and the Department of Defense in finding that right balance.

General, congratulations to you. It is a great complement to your service. I had the pleasure of knowing you before, and we served together—not together, but working with you on a number of items in Germany when I was there. So the highest congratulations. It is a great honor, and I think the President made the best selection he could possibly make.

Congratulations to you also, Mr. Secretary.

I want to get just a little bit parochial here and ask you a question just more for information purposes.

MILITARY VEHICLES

It is my understanding that DARPA is now conducting ballistic tests on the new high mobility multipurpose vehicle, one with a stovepipe which provides protection for our troops. It comes in at less weight, considerably less weight, more mobility, one-third of

the cost, and so forth of the MRAP. How do you see that playing out relative to the current budget situation and relative to your needs?

My understanding is we are not getting the mobility out of the MRAP's that we need to get around in Afghanistan. A lot of them are not being used for that purpose. We now have something under test and evaluation that perhaps can give us that mobility at less cost and still provide security and safety for our soldiers. So could you comment on that?

Mr. MCHUGH. Yes, I could. I have actually not seen the test in person, but I have seen the video. And watching it is pretty impressive. And as you noted, Senator, one of the problems we have with our Humvee fleet is the reluctance that commanders have had sending it outside, as we say, the wire because of the problems on survivability. And this stack defeat system holds a great deal of promise, and it is exciting. As you noted, it is in analysis and testing right now. So we are not sure exactly how it would fit, but it is something that we are very, very interested in and we intend to pursue it to its fullest.

I am not necessarily suggesting we should limit it to a Humvee system. If it works in one configuration, it may work in others. So we want to take a broad-based look at it, and AM General, the company that brought the technology first to us, is working with us, and we appreciate that. As I said, we are excited about it.

Senator COATS. General, could you comment also, but also relative to the question of the mobility and accessibility and need for something like this in Afghanistan vis-a-vis the MRAP's?

General DEMPSEY. Well, it is, Senator. We have approximately 150,000 tactical wheeled vehicles in the Army. Some of them are intended for deployable purposes, some not. And as we look at our fleet, we have got to balance the existing inventory of MRAP vehicles and what they bring. And they did bring a considerable degree of protection at a very important time. And then the Humvee and then the other program, of course, that we are involved with, the Marine Corps and its JLTV, the joint light tactical vehicle.

What we need to do is, again, determine what is that Army of 2020, what is the capability that it needs, and then have essentially a menu of options so that based on the threat we anticipate, we can employ the right capability. And I think that Humvee will be part of that in the future, but I cannot today say what part of that.

Senator COATS. Thank you.

ABRAMS TANK

One more question. The Abrams tank, M1A2, is scheduled—my understanding—to end production in 2013. Could you comment on—concerns have been raised with me relative to maintaining the skills and industrial base necessary to produce this type of component for you. Can you give me your thoughts on that and where we might be going with that program?

Mr. MCHUGH. And those are legitimate concerns and we share them. The decision on the future production of the tank was simply made on the business case. The business case was clear. We, as I mentioned earlier, have an Abrams tank inventory that is amongst

the most modern of any of our equipment, the average age being just over 2 years old. And our acquisition objective had been met. The cost of shutting down and mothballing the plant, including the cost of rebuilding the employee base, was far more economically sensible than maintaining the minimum production necessary through the period until we begin to develop a follow-on for the Abrams platform.

Having said that, we are looking very carefully and working with DOD and Dr. Ash Carter and his acquisition folks to see what, if anything, we can do that can help preserve that expert force. These are not folks that you just find on the street. They have a developed expertise. We recognize it. We value it. They have contributed, as many of our contractors have over the years, in incredibly important ways, and we want to do the right thing by them as well. But also, as you noted in your opening comments, Senator, we have got to make some hard decisions, but we are looking at it very carefully.

Senator COATS. Thank you for that.

Thank you, Mr. Chairman.

Chairman INOUE. Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, I love the names, "McHugh," "Dempsey." It sounds like an Olympic boxing team representing the United States. And listening to you two, you two really are a one-two punch for the Army. Secretary McHugh, you know, you come from knowledge on the battlefields of Congress which really takes a lot of know-how. And, of course, General Dempsey, your incredible service plus your most recent deployment in Iraq.

Let me get to my question, and it goes to the well-being of the troops, the need for resiliency, the need for their well-being.

MENTAL HEALTH

One of the most important things to deal with their mental health problems is the time at home. Now, I believe—and this is where I want to get to my question. And also the Surgeon General of the Army, General Schoomaker, said the same thing, that if you want to reduce PTSD, stress, the terrible strain on the family, have them home for a longer period of time.

Well, you know how the old wars were. You went off to war. Usually it was for 5 years at most, and when you came back, the war was over. We had surrenders and so on. That is not the case.

So here goes the question. You, meaning our Government, is saying we are going to shrink the number of men and women in the Army. Is that correct?

Mr. MCHUGH. That is the plan forward, yes, Senator.

END STRENGTH

Senator MIKULSKI. Right. And I would say a year ago that seemed like a good idea and made sense. Now we have the Jasmine Revolution. Now we have some of our colleagues who are calling for new deployments. I was at an international conference some months ago, and one of my colleagues said, let us go in Iran and take out the Guard, et cetera. You know, they put on camous for a day and they think they are it.

Then there has been this whole thing with Libya, and the President has made a decision. A regime change means boots on the ground. But that also means what is the possibility.

Then we have Syria. Then we have—there are so many unexpected consequences and dynamics in the world.

My question is that as we look at—we thought when we were out of Iraq, pulling out of Afghanistan in the way that General Petraeus and the President are recommending, that would be kind of let us come home and get on with it.

I am apprehensive that maybe we are going to need a larger standing Army to not only meet unintended things in the world, but that we have no elasticity anymore.

So, one, what are you doing for the unexpected? Would you caution Congress to think twice before we shoot off our mouth while they are asking you to shoot off the guns?

And then the other thing is, where do we get in here now with the National Guard who is really stressed and asked for one-third of the workforce, but are supposed to return to civilian jobs after 9 years of deploying them from everything from tornadoes to overseas?

So the unexpected and how do we make sure we have not only resiliency which, General Dempsey, I really want to everything I can to work with you to do that. And I believe we speak for that.

But what do you think about what I just said, Secretary McHugh?

Mr. MCHUGH. I think you point out very accurately the challenge we all have as we make very important decisions in this 2012 budget and in the years that follow on.

BOOTS ON THE GROUND: DWELL TIME

As to what we call BOG/dwell, as the Chief mentioned and you did, I do not want to simplify it because I think the issues of stress on the force and suicide are more complex than a silver bullet. The answers are not going to be like turning on a light in a dark room. It is going to be more like lifting the shades slowly.

But we know, without any doubt, that one of the key drivers of these challenges is the very short time that troops have had over the last decade at home. And depending on what kind of job you had, most of these troops were coming home for 1 year, then going back out for 1 year. Some of them in certain high-demand, low-density MOS's were getting less than 1 year at home for 1 year deployment. One of the things we have done and concentrated on is to stretch that out, and because, in large measure, of the drawdown in Iraq, we are now, on average, at about 1 year deployed and about 1.6 years back home. We think at a minimum, we need to have 2 years back home.

Senator MIKULSKI. I understand that and I support that. But given the numbers that you are having here in the budget, do you think that there is enough elasticity, enough—you do not want to use the term “redundancy” in the troops, but enough manpower—and this is all based on the assumption that nothing new will happen—

Mr. MCHUGH. That is true.

Senator MIKULSKI [continuing]. And that the Nation will not ask them for nothing new to do or Congress does not go off on yet some urging of them to undertake a mission.

Mr. MCHUGH. That is exactly true.

Senator MIKULSKI. So my question is, is there that elasticity there to do that, or are we just making a plan that is going to be unrealistic and then we are going to have to ramp it up and place an even further intense stress on them while all of us in this room want to work with you on that mental health care, the right PTSD, the help for the families which are so essential to recovery and re-setting and resiliency? Do you think you have that?

Mr. MCHUGH. I think it is our responsibility to provide it, and I think we have charted a way forward by which that will happen. I cannot predict the future. As you said, it is uncertain at best. Secretary Gates mentioned it in his speech at West Point that we have a perfect record in predicting the future. We have been wrong 100 percent of the time.

But what we do know is that under the current conditions and under the way that we now know forward, the drawdown we have planned, beginning with the temporary end strength starting in March of next year and then the 27,000 drawdown beginning in 2015 and 2016 is doable and is doable in a way that will provide the BOG/dwell that we think is necessary and hopefully, we believe, sufficient to return to normal stress levels at garrison.

If conditions change, then we are going to have to reevaluate. And that is why, as I mentioned earlier, the Chief and I and the entire Army staff are looking through total Army analysis to how we ramp those drawdowns in the months ahead so that if conditions change, we have the flexibility to stop and then to build up to whatever level.

Senator MIKULSKI. But conditions are changing. They are changing by the tweet.

I know you. You are an outstanding public servant and you are a man of honor. I believe you are all putting your best thinking in it, but there is these other events.

I know my time is up. I think we need to talk really more about this issue so that we are prepared. We could always buy more equipment, but you cannot always buy more troops as if you can pull them in off the shelf. We have already pulled them off of the shelf for 9 years.

So my time is up, unless General Dempsey—

General DEMPSEY. No. I just would add very briefly if you ask me the question today, yes, we are both elastic. We use the term “expansible.” This budget that we are here to discuss provides us the flexibility we need.

BALANCED FORCE

As we look forward, we know there are changes coming. The key for us in making those changes is to have time to balance what are essentially three rheostats in maintaining a balanced force, and those three rheostats are manning, manpower, modernization or equipment, and operations and maintenance and training. If decisions come to us precipitously, oftentimes we will lose one of those

three rheostats, and then we lose the flexibility. If they come to us deliberately, we can do this.

And by the way, it took us 10 years to build the magnificent Army we have today. It is not one that can be disassembled overnight.

Senator MIKULSKI. And we do not want to.

Thank you, Mr. Chairman.

Chairman INOUE. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

Secretary McHugh and General Dempsey, good to see you both. Secretary McHugh was my neighbor across the lake for years when he served in the House and I enjoyed very much my work with him during that time. I found him to be extraordinarily dedicated not only to his district but to making Government work right, and it is nice to see you here.

Mr. MCHUGH. Good to see you, Senator. Thank you.

ARMY NATIONAL GUARD

Senator LEAHY. I want to thank both of you for all the work you do to improve the lives of soldiers in the Vermont Army National Guard, but of course across the entire Army. As you know, Vermont's 86th Infantry Brigade deployed to Afghanistan last year. As members of the brigade returned home, usually my wife and I would be there to greet them as they came back. I saw that the warrior transition system designed for active duty soldiers was not meeting the needs of our Guard. We worked together to set up a new pilot program, as you know, at Fort Drum, and that was a big step forward.

A month ago, I asked General Schoomaker if he would help me to continue the National Guard outreach programs in Vermont and around the country. It is so important for mental health services for our Guard, and my colleague, Senator Sanders, and others helped to establish it. And with the help of the Army, the Vermont Guard has received the funding it needs to extend this to fiscal year 2011 and it is an impressive example of what the Army can do and what it has done.

And I should also mention I hear from my staff, one of your liaison officers, Lieutenant Colonel Kelly Laurel, represented both you and the Army on these issues and has been extremely helpful. So it is a long way around of just saying I want to thank you. When we have brought up issues that affected us, you have been there to help. I wear two hats, one as a member of this subcommittee, but also along with Senator Lindsay Graham as co-chair of the Guard Caucus, and when we have called on you for help, you have always been there.

MEDIUM EXTENDED AIR DEFENSE SYSTEM

Secretary McHugh, I would like to ask you about the Medium Extended Air Defense System, or MEADS. The Army has asked for another \$800 million for its development 2002–2013. I understand it will not be purchased even after it is developed. Somehow we are in an international agreement that obligates the spending.

We are having to pay so many cuts both in the civilian life and our social safety net but also in the military. Why do we not just

cut off money for MEADS? We are not going to deploy it anyway. Do we just need to renegotiate whatever those international agreements are?

Mr. MCHUGH. That would be ideal if we were successful in getting our international partners to renegotiate.

This was a litany of bad choices. The reality is, based on the negotiated agreement of 2004 that I was not a part of, so I cannot speak to the motivations, any one of the three partners—and as you know, Senator, our two other international partners are Italy and Germany—who unilaterally withdraw are required to pay the set closeout costs, which in the case of MEADS is about \$840 some million. So if we were to cancel the program today unilaterally, we would bear a bill that would be almost identical to the budget proposal that the administration has put forward.

Now, the difference is for the \$804 million that the President has requested and that the Army fully supports is that that will fund our participation through and into 2014. And at that time, we will be able, along with our international partners, to at least reap some of the technology that has been developed under the years that this program has been going forward. I cannot tell you at this point what that technology package will look like, but we know it will be of some substance. We will probably have applicability to 360 degree systems that right now are beyond our current capabilities. But it will be far more than the nothing we will get if we were to cancel unilaterally today.

Senator LEAHY. But these other countries must be spending money and they must be asking themselves whether they want to continue too. Is it a case that everybody wants to see who goes first, or is it a case where we might sit down with them and say, hey, look, guys, all this money we are spending—if we want to do something together, why do we not spend it on something that might work?

Mr. MCHUGH. I cannot speak to the motivations of our partner nations. And it is important to note, the Army is the executive agent here. We do not negotiate it. It is a Department of Defense and a Department of State lead on those things. But my understanding is, according to what I have been told through OSD, that our two partner nations, for whatever reasons, are not interested in coming to an agreement of early termination prior to 2014.

Senator LEAHY. Well, I raise it and please keep it on your radar screen because I worry about it when we are cutting out so many other things. It is a big hunk of change.

General DEMPSEY. Senator, could I add related to another question about the importance of air defense? What we do get out of this, besides the technology, is a better increased capability by our partners at a time when our particular air defense community is at any given time 50 percent deployed. So 50 percent of our air defenders are either in a deployment cycle or forward deployed. Anything we can do to improve the capability of our partners is worth the investment.

ARMY NATIONAL GUARD THREE STAR

Senator LEAHY. My last question. Secretary McHugh, we have had 2 years that the Army National Guard has been without a full

three-star director. And last year, Kit Bond and I, when he was in the same position as Senator Graham now, sent a letter to Secretary Gates asking that the position be filled. I understand there have been two nominees. A second nominee is waiting for full administration clearance before his name is sent to the Senate for confirmation.

General Carpenter has been doing a great job, but can you kind of prod them? Please encourage them to get this moving.

Mr. MCHUGH. I can, I think, do better than that. I had a meeting with the Vice Chief of Staff of the Army on this this week. He is the guy I have kind of asked to spearhead it. It has actually been administrative problems and certain issues that the current nominee had to work through. I have been informed this week that we are at the very end of that process, and I think we will hopefully have you a nominee up here in the very near future.

Senator LEAHY. That would be very good.

Again, thank you both. I agree with so many others that sit here. We are very proud of your service. I am delighted to see you both here.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator COLLINS.

Senator COLLINS. Thank you, Mr. Chairman.

First of all, General, congratulations on your new position.

MENTAL HEALTH SERVICES FOR ARMY NATIONAL GUARD AND RESERVE FORCES

Recently I welcomed home a company from the Maine National Guard which had returned from a 9-month tour of duty in Afghanistan. And it was a great day of celebration and happiness. But when I was looking at these men and women, I could not help but think about the mental health challenges that many of them will face, particularly in light of the alarming increase in suicides among our National Guard and Reserve members.

I know that in your budget you have proposed a new prevention program, and I believe it is called the Army Campaign Plan for Health Promotion, Risk Reduction, and Suicide Prevention.

My concern, however, is how is this program going to reach the Reserve and National Guard. Obviously, those who go back to an active duty base have support structures already built in easily accessible, readily available. They have people in the command structure watching out for them. But those who are going back to rural towns in Maine resuming their civilian lives, do not have those kind of support structures. And I think that is one reason you are seeing this alarming increase that is not present in the active duty troops.

Could you comment on how the program you have proposed will reach those guardsmen and women, those reservists who are going back to their civilian lives?

General DEMPSEY. Yes. Thank you, Senator.

What I would like to do is offer that someone would come over and actually brief you on the entire program so that we can show you where I think we are probably going to hit the mark and show you where we think we may still miss the mark slightly.

But I will tell you this program was designed and developed from the ground up from its inception to address all three components of our Army, Active, Guard, and Reserve. And so going in, we recognized the different challenges that each of those components have, and we would like to brief you on that.

Senator COLLINS. Thank you. I do think that it is absolutely critical that we recognize that there are a lack of mental healthcare providers in rural areas of my State and I suspect throughout the country, and I am just really worried about getting those individuals, who are going back to rural communities to their old lives who lack that kind of support structure, those services.

Mr. MCHUGH. May I respond briefly, Senator Collins?

Senator COLLINS. Yes, Mr. Secretary.

Mr. MCHUGH. And it is a huge problem. And as you noted, if you are in the active component, we can get our hands on you far more easily than when they go back.

The interesting thing about the reserve component and Guard soldiers, 50 percent of these soldiers who commit suicide in the Guard and Reserve have never deployed. So we have other issues. And the comment earlier about we do not want to look for the one silver bullet, I think, particularly applies to the Guard and Reserve. And what we are trying to do—and one part, as you mentioned, is overcome this nationwide challenge in both the civilian, as well as the military sector, to get enough behavioral health specialists so that everybody, all three components have accessibility to that to extend through distance technologies, IT, into the home so that we can provide them, first of all, predeployment resiliency tools; second of all, those resiliency tools as follow-up, but also to continue to assess their mental health when they have gone back home.

In States like Vermont and other places, the Guard units and the TAG's have stepped up and helped enormously. We are looking at everything from the Yellow Ribbon program reintegration program and such. But the distance challenges are going to provide hurdles that frankly we do not know yet how we are going to get over.

Senator COLLINS. It is something that we are going to have to keep working on.

ALS/LOU GEHRIG'S DISEASE

Secretary McHugh, I want to bring up an issue. I know you are aware of a tragic case that I have been working directly with you on of a 33-year-old sergeant who has ALS, Lou Gehrig's disease. He has three young children. He is now in the advanced stage of the disease. It has to be the saddest constituent meeting that I have had in quite some time.

And as you are well aware, numerous studies funded by DOD, the VA, NIH, and the Institutes of Medicine have found a link between military service and ALS. And that link led the VA in 2008 to establish a presumption of service connection regardless of whether there is a gap between when the ALS manifested itself. And yet, DOD takes a different approach.

In this particularly tragic case, at first we received a letter saying that the sergeant was going to qualify for benefits and that his ALS was the result of military service. We then just 1 week ago

subsequently received a letter that said the opposite. And I want to continue to work with you about that.

DISABILITY RATING SYSTEMS

But on a broader issue, I am troubled that the VA and the Department of Defense have different standards in this area. The VA assumes there is a presumption of connection between military service and ALS, and yet as this latest letter in this case shows, the Army concludes otherwise. We have been trying to have a better integration between DOD and the VA, and the conflicting rulings in Sergeant Kennedy's case seemed to run completely counter to the intent of the new integrated disability evaluation system and the recommendations of the Dole-Shalala report.

So my broader question for you is would it not make sense for there to be more consistency between the system used by the VA and the system used by DOD.

Mr. MCHUGH. It would make the soldiers, sailors, marines, airmen, Coast Guard lives a lot easier.

As I visit warrior transition units—and the case that you have been, to your credit, if I may, so aggressively trying to advance and remediate is a particularly tragic example of it. But every time I go to a WTU, I do not hear, usually, about bad medical care, bad food. I hear about this disconnect in the disability rating system between military and the VA. And this is something that Secretaries Shinseki and Gates in fact had a meeting at the Pentagon about 3 weeks ago in an effort to take it to their level to try to see what they could do to finally overcome the hump. Even when we had the IDES program, there are places where we have enacted it at Fort Carson, for example, where it actually expanded the disability rating system rather than helped it. So it has been very, very problematic.

When I received your letter, to narrow it down now to the case that you spoke about, I asked that our Army folks—and there is a DOD equity here. So we have to kind of work at a higher level. But I have asked our Army folks—I told them I have a personal interest in this and let us see if there is any possible way we can work this out. I cannot make you a promise other than I promise you we are looking at it hard.

Senator COLLINS. Thank you.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

General, Mr. Secretary, thank you for being here and your testimony.

ALS AND CONNECTION TO MILITARY SERVICE

I want to thank you, Senator Collins, for bringing up not only the suicide issue, which I think we are all so keyed in on, but this issue of ALS and the connection within the military. It is something that I have been following for a period of years now as I have a relative that is struggling with this terrible disease. But what we are learning in these past few years about the connections to those who are serving and to this horrible disease is really quite significant.

I think most of us associate Lou Gehrig's disease with those that are older. What we are seeing now with the number of veterans are contracting this disease at an early, early age—I was at the ALS conference here in Washington, DC a couple weeks ago, and they had brought in, I think was, about 30 different veterans from around the country who are relatively young who have ALS. And how we reconcile what Senator Collins has been talking about—but again, I think appreciating perhaps what is going on with the nature of this disease that we know so little about.

So I understand your commitment to Senator Collins here to look into this one specific case, but I do believe that we need to look much more broadly. We do have the research program that DOD helps to fund through the disease-specific programs. I think we need to encourage that. But it is an issue that I find very, very troubling.

IMPROVISED EXPLOSIVE DEVICES

General, I want to ask you this morning about where we are in terms of improving how we deal with IED's. I think this has been so frustrating over the years. We recognize that this is the number one killer on the battlefield, and yet our sources are indicating that our ability to detect and really to defeat these IEDs has remained relatively level versus improved.

I was out at Walter Reed on Monday and met with an airman who was an explosive ordnance disposal technician. I found it absolutely fascinating to learn that his position, his job requires that he go in and render this IED safe, but he does that through a paintbrush and a knife on his belly.

And we talked about the robots and whether or not the robots were as effective as they might be. I will tell you that when we look at what we are able to do on Mars with a robot, when we think back to a year ago under water with the Deepwater Horizon and what we were able to detect a mile below the surface, it seems incredible to me that we really have not made the progress that we would hope when it comes to how we handle the IED's.

Can you give me an update, give me a little more optimism?

General DEMPSEY. I would be loathe to give you optimism because as long as there is one soldier at risk for the technology—you know, I think we all should remain sort of pessimistic.

I cannot speak to that one airman's experience, but the technology has actually progressed remarkably. And in some ways actually we have moved away from technological solutions and back to things like bomb-sniffing dogs. So, for example, our brigades in southern Afghanistan, which are the brigades taking the greatest number of IED strikes, are all now outfitted with tactical dog teams. We give them an acronym naturally called TEDS that have been delivering on their training.

We have got ground penetrating radars. We have got other technologies that have sensors that seek to be able to identify the different kinds of explosives and triggering devices. Some of that is classified, of course. And our state of training and partnership with JIEDDO, the Joint IED Defeat Organization, has reaped a lot of benefits in not only defeating the device itself but defeating the network, the supply chain that delivers it.

So actually in my time in Iraq and Afghanistan, which spans roughly 7 years between 2003 and 2010, I mean, we have made exponential improvements, but we should never be satisfied with them. Of course, then we carry that to the technology to defeat the device when it explodes and MRAP technology and so forth. So we have made a lot of progress, but I would not sit here and express optimism.

Senator MURKOWSKI. And I appreciate that. I guess I was just more than a little bit disconcerted to learn that still with a milk jug and some fertilizer and some diesel, they can continue to do the kind of damage and inflict the death and the mutilation that we continue to see.

I was a little bit concerned, though, about what I learned about the robots, that in order to really be effective and be able to dig through the earth, you have got to have a heavier one, but you cannot carry the heavier ones, and the lighter ones are not effective. Are we doing more with that technology or is that going away as we get more dogs?

General DEMPSEY. No, not at all. In fact, we continue to look for opportunities with robotics not only in encountering IED's but even the technology that might some day produce vehicles that are robotic so we do not put soldiers on roads that we know are susceptible to mining and IED's. So we are pursuing robotic technology aggressively.

ALASKA RANGE COMPLEX

Senator MURKOWSKI. One last quick question, if I may, and this relates to the joint Pacific Alaska Range Complex regarded as one of the finest joint training ranges in the Nation, I think perhaps the world, certainly when it comes for preparedness for cold-climate battlefields. When I flew over Afghanistan, I looked down and it looks like home. It looks like Alaska with the mountains and the terrain there.

We have been doing a pretty good job with the Alaska troops in terms of training on the range, but I am a little bit disappointed that the Army does not make broader use of this tremendous resource for training a larger number of troops to fight in our cold climates. And I guess I would just ask if you agree that in fact we do have superior training range capability up there when it comes to the cold climate and if that is the case, what we can do to perhaps encourage the Army to perhaps make more extensive utilization of what we have up north.

General DEMPSEY. Well, I could not argue against the fact that you have the best cold, and we cannot replicate cold the way you can anyplace else in our country. That is for sure.

And we are excited about the potential that that facility brings and the joint capability that it brings as well.

As you know, part of our challenge in using it especially to deliver cold weather training right now is we are consumed in a cycle of deployments and preparation for deployment that really is based on the exact opposite climate challenges. And so as these particular conflicts wane, I think we will seek opportunities to expand our training, and I would certainly be open to the use of that facility.

Senator MURKOWSKI. We look forward to working with you. Thank you. Thank you both for your service.

Chairman INOUE. Thank you very much.

Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman.

WARRIOR TRANSITION UNITS

Thank you to both of our witnesses today. Nice to see you here. I apologize for being late. I was chairing a Veterans Affairs Committee where we had a joint hearing with the DOD and the VA to talk about the warrior transition units and the fact that we are still seeing a lot of delays and seriously concerned about the high percentage of suicide rates on our warrior transition units and people still waiting. So we are working.

But I would say to the chairman and to Senator Collins, who brought it up, we are seeing both the DOD and VA work together better today than we have in the past, and I do want to thank you and commend you for that.

One area that I am really focusing on at the VA is the high unemployment rate for our service members who are exiting, much higher than their peers, 27 percent. And I recently introduced The Hiring Heroes Act to start to address how we can better transition our service members with these tremendous skills that they learn on the ground for us, whether it is a mechanic or driving a truck or whether they work in healthcare. Whatever their service is, they have tremendous experience, but they come out and they cannot translate that into a skill in the civilian side and end up unemployed at very high rates.

TRANSITION ASSISTANCE PROGRAMS

In my legislation, I mandate that the transition assistance program become mandatory for all service members. That effort will go beyond the required pre-separation counseling that we currently see many soldiers receive, but actually say what did you do in the service and what are the skills and experience you have and how can we translate that into a career once you leave.

I wanted to ask you, General Dempsey, today what percentage of soldiers currently use the TAP program that is available?

General DEMPSEY. Well, again, one of the realities of the pace of operations is that we have not been using our ACAP programs and other transition assistance programs to the extent that we should. And so we have got to find a way to jump start, if you will, or rekindle the interest in it because 15 years ago, it was mandatory and we met the gates necessary to transition.

And I will just tell you. We feel an obligation to do better at this not only because we owe it to our transitioning soldiers, but it is an enormous cost to us as well to pay the unemployment insurance. So we agree with your concern.

Senator MURRAY. Yes. I am startled by the rapidly increasing cost of unemployment insurance. For the Army alone, it has gone from \$500 million in 2010 to \$800 million in 2011. That is a cost that, obviously, we all have to pay for, but it is a cost in lives too for these young men and women who come out and do not get a job and become disillusioned, and we see the results in everything

from drug and alcohol abuse to divorce rates to suicide. So it is a cost to society as well as a cost to the services.

So this is something I am very focused on. I would like you to take a look at my legislation. I would love to see your support in getting that done because I think it is an obligation that we have to meet.

I do know that the Army recently conducted a holistic review of the ACAP transition program, and I really am looking forward to see the results of that review and a timeline for implementing it and wondered if you could share with me today what the timeline is for completing that assessment and when Members of Congress will be briefed on it.

Mr. MCHUGH. If I may, Senator. Thank you for your efforts there. We always recognize our responsibility to take care of soldiers when they are in the Army and service. We are beginning to recognize we have got to go beyond that and help them—

Senator MURRAY. And the Nation pays a lot for the experience that they get there. We should benefit from it.

Mr. MCHUGH. Absolutely. And we need to do a better job helping employers understand the incredible talent that these young—largely young—soldiers bring to the field.

Under the ACAP program, it is our intent right now to put out an RFP this October. We would look for that RFP to establish three main locations and 15 satellite locations for the ACAP program for demobilization locations to begin to provide that. And we are also looking at how do we meld the ACAP initiative with some of our existing employment programs. We have partnership programs with the Fortune 500 companies and others, and bringing those two together seamlessly seems to us to be a very logical place by which employers who already recognize the value of these soldiers. So as we plan right now, you should begin to see some real changes in this fall.

Senator MURRAY. In this fall. Okay. I look forward to that.

And I did want you to know I am very supportive of the Joint Base Lewis-McChord ACAP model. They provide 70 hours of transition over 12 months. So rather than just putting somebody in a class a few days before they leave and they could care less, they actually are looking at what they are doing a year before they leave and saying you may need to do something additional if you want to get a job in the civilian world. And I think that is a very smart investment.

Can you tell me when the pilot of that model begins by any chance?

Mr. MCHUGH. As I said, we have to set out and make the contract let this fall. I do not expect once that is done, it should not be too long from enactment, but if I may, let us go back and get you some more detail on that.

Senator MURRAY. All right. I just do not want to lose anybody else here.

Mr. MCHUGH. Understood.

Senator MURRAY. I think we have got a lot of soldiers transitioning and a few months means a few hundred more soldiers who are getting left behind.

All right. Well, I look forward to working with both of you. I would like you to take a look at our legislation and would love to have your help and support with it.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Gentlemen, I have a lot of questions to ask, but I will submit them to you for your consideration.

WEIGHT OF COMBAT GEAR

But I have one question. Ten years ago, the Army Science Board made a study, and after that study, they recommended that no soldier should carry more than 50 pounds of gear. Today, it is estimated that the weight of the gear that a soldier carries is 125 pounds. As a result, musculoskeletal injuries have increased tenfold in the last 4 years. And the cost of medical benefits or disability benefits exceed this annually \$500 million.

And Johns Hopkins just made a study that indicates that injuries from musculoskeletal spinal injuries are double that of combat injuries.

Do you have anything to say to that?

General DEMPSEY. Only that this is a constant issue on our minds and the minds of Training and Doctrine Command, as well as the acquisition side of our Army. And we are looking at it in two parallel paths: one that you are very familiar with, which is the work on lightening the individual soldier's load. And we have made some progress with plate carriers, the weight of the helmet, the weight of optics on the rifle, the weight of the boots. But frankly, those are kind of marginal changes. They are important changes but they tend to be marginal changes.

The other path is to do what I mentioned in my opening statement, Senator, which is look at the Army from the bottom up. What does a squad need, to take one example, in terms of power and energy because we have introduced so many new emitters that we have actually increased the burden because of the batteries required to run the emitters. We have connected the individual soldier to this network, but it requires power and energy to maintain it. So by looking at the squad, what we hope to find out is what are the squad's power and energy needs not just the individual soldier. And we might find our way forward in bringing capabilities to the squad external to the individual soldier, whatever that happens to be, robotic devices, some kind of automotive mule to take some of the load off the individual soldier.

But I can only assure you that it is probably a weekly issue for the Chief of Staff of the Army, and I hope that lends the gravity to the issue that you would expect.

Chairman INOUE. As one who served in the infantry, I feel for them because I believe my combat gear never exceeded 20 pounds, including by rifle, boots, helmet, grenades, and all that ammo I carried. So I hope we can lighten the load and lighten the injuries. What shocked me was the Johns Hopkins report that indicated that musculoskeletal injuries exceed combat injuries twice.

General DEMPSEY. Senator, could I add something to that, though? Part of the reason, we have also discovered, that young men and women coming in the Army today are not as fit or as skel-

etally sound as you were. And what I mean by that is the proliferation of bad nutritional habits and carbonated beverages. Even in basic training before we load the soldier with the gear that eventually they will have to learn to bear, we have these same kind of musculoskeletal injuries. It is really a generation of Americans that have this problem, but it is exacerbated by the load we ask them to bear.

ADDITIONAL COMMITTEE QUESTIONS

Chairman INOUE. I thank you very much, Mr. Secretary and General Dempsey, and we thank you for your service to our Nation. And we look forward to working with you on all the problems that you brought up today.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY JOHN M. MCHUGH

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

FISCAL YEAR 2012 EFFICIENCIES

Question. Secretary McHugh, with the current state of our economy, the Nation is challenged with becoming good stewards of our valuable resources. One of the major themes of the fiscal year 2012 budget submission is cost-savings as a result of efficiencies. The Army contributed \$2.7 billion in fiscal year 2012 and plan to contribute \$30 billion over fiscal years 2012–2016. How confident are you that these savings will come to fruition?

Answer. The Army is confident projected efficiency savings will be realized. We understand that savings resulting from better business processes may take years to materialize, so we focused our efficiencies during the first 3 years of the program in two limited areas: weapons systems with declining relevance or unnecessary redundancy, as identified through comprehensive capability portfolio reviews, and a balanced facilities strategy that reduces military construction by leveraging investment in Base Operations Support (BOS) and Sustainment, Restoration and Modernization (SRM).

Of the approximately \$9 billion of savings associated with better business practices, reorganizations, and contract management, \$8 billion is projected to be realized in fiscal years 2015 and 2016. This phased approach provides the time needed to develop and successfully implement future initiatives.

FAMILY SUPPORT PROGRAMS

Question. Secretary McHugh, the American people recognize that soldiers and families make considerable sacrifices as they serve to defend the Nation. Because of these sacrifices, the Army has dedicated a large amount of manpower and resources toward a full range of support programs. Are any of these programs at risk in the Department's efforts to find efficiencies?

Answer. Army family programs are not at risk in the Department's efforts to find efficiencies. Because of the tremendous sacrifices our soldiers and their families make every day, the Army has committed to provide them with the best possible family support services to enhance readiness, retention, and resiliency. We have resourced fiscal year 2012 family programs to provide soldiers and families with a quality of life commensurate with their level of service and sacrifice to the Nation. Army family programs serve Active and Reserve Component soldiers and families whether they reside on or near an installation, or are geographically dispersed. The Army continually evaluates the quality, cost, and value of these programs. Our efforts ensure a balanced portfolio of services that are fiscally sustainable to strengthen soldier and family programs for the long term.

FUTURE FORCE MIX

Question. Secretary McHugh, while trying to make decisions on the composition of the future force mix, how will you make sure the Army can maintain its battle-

proven current capabilities and invest in future capabilities within a fiscally constrained environment?

Answer. We have an Army that is poised to prevail in the current fight. We will smartly manage the reduction and change in size and composition along with changes in the demand for overseas contingency operations. We will sustain the warfighting capabilities to prevail, even as we increase our ability to prevent conflict. We will ensure full spectrum operational readiness and continue important modernization programs as we correctly apply efficiency efforts across our training, manning and other title 10 activities.

GROUND COMBAT VEHICLE

Question. Secretary McHugh, the fiscal year 2012 budget includes over \$1 billion for the Ground Combat Vehicle. This is a 7-year development program that will cost over \$40 billion. However, the Ground Combat Vehicle will replace less than half of your combat vehicle fleet, and your budget contains little funding to modernize those vehicles. Is this modernization strategy truly affordable?

Answer. The Combat Vehicle Modernization Strategy, including the development and fielding of the Ground Combat Vehicle, is affordable. The Army conducted a rigorous analysis to determine an affordable cost for the Ground Combat Vehicle. After examining planned modernization efforts and new start programs across the combat vehicle fleet, the Army determined a Ground Combat Vehicle with a \$13 million Average Procurement Unit Cost is affordable. The Army included a cost target range in the Request For Proposals, encouraging industry to submit proposals the Army can afford.

We require a new ground combat vehicle to provide soldiers the protected mobility they need to operate across the full spectrum of operations. Nine years of combat experience, ranging from major combined-arms maneuver and close combat action, to stability operations and security force assistance missions, have underscored this need. Current and product-improved Infantry Fighting Vehicles do not provide the protected mobility required to operate across the spectrum of operations or the growth potential required to incorporate advances in protection or network capabilities for the full infantry squad.

Question. Secretary McHugh, we understood that savings generated by the Army during the Department's efficiency initiative were going to be reinvested in combat vehicle modernization. Could you please detail for us where and when those funds will be invested?

Answer. A sizeable portion of the funds from the efficiency initiative will be applied from fiscal year 2012 through fiscal year 2017 in support of the Army's Combat Vehicle Modernization Strategy. The Army will take a holistic approach to the development of the Ground Combat Vehicle, replacement of the M113 Family of Vehicles and the incremental modernization of the Bradley, Abrams, Paladin, and Stryker. Modernization imperatives across the fleet include improved protection, lethality, mobility and sustainment, mitigation of existing Space, Weight and Power (SWaP) shortfalls and Network integration.

HEALTHCARE PROPOSALS

Question. Secretary McHugh, the increases in co-pays have been proposed previously. Could you explain how these proposals are different and why they should be reconsidered by the Congress at this time?

Answer. Previous proposals sought higher enrollment fees and higher pharmacy co-pays than the current proposal. While the cost of military healthcare has continued to grow because of an increase in eligible beneficiaries, expansion of benefits, increased healthcare utilization, and the growth in health inflation, TRICARE premiums have remained the same since the TRICARE program began in 1995. These fiscal year 2012 proposals balance our commitment to preserve the healthcare benefit while slowing future growth in healthcare costs through various healthcare efficiencies. The Army believes these proposals to raise the TRICARE enrollment fees for working age retirees and adjust retail pharmacy co-pays for all beneficiaries except Active Duty to be modest, gradual, and responsible.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

SUICIDE

Question. The Congress has established a national suicide hotline for returning troops, as well as increased funding for mental health programs for Active Duty military personnel. However, there remain a high number of soldier suicides. For

example, it was reported that 21 suicides involving Fort Campbell soldiers alone occurred in 2009. What preventative measures are the Army and the Department of Defense (DOD) taking to address this problem writ large and at Fort Campbell in particular?

Answer. The Army has implemented several near-term projects to improve our understanding of suicide prevention and to improve the programs and services provided to soldiers and their families—such as the Army Campaign Plan for Health Promotion, Risk Reduction and Suicide Prevention and the Vice Chief of Staff's monthly suicide review meetings. The Army has also enlisted the help of the National Institute of Health (NIH) to conduct a long-term study on risk and resilience in the Army.

In the past year, the Army has implemented the Comprehensive Behavioral Health System of Care Campaign Plan. This initiative is nested under the Army Campaign Plan for Health Promotion, Risk Reduction and Suicide Prevention. The Comprehensive Behavioral Health System of Care is intended to further standardize and optimize the vast array of Behavioral Health (BH) policies and procedures across the U.S. Army Medical Command. The goal is to ensure seamless continuity of care to better identify, prevent, treat, and track BH issues that affect soldiers and families.

There has been a robust Combat and Operational Stress Control presence in theater since the beginning of the war, with deployed BH assets supporting both Operation Enduring Freedom and Operation New Dawn.

The Army is enhancing BH services provided to its family members through Child, Adolescent and Family Assistance Centers and the School Behavioral Health Programs.

We continue to invest significant resources in researching BH. The BH research program supports development and evaluation for prevention, treatment, and long term recovery needs. This includes over 150 projects addressing post-traumatic stress disorder and 10 projects dedicated toward suicide prevention and intervention research.

All of these programs and services are available to soldiers and their families at Fort Campbell. The soldiers of the 101st Airborne Division (Air Assault) were the first soldiers in the Army to implement the Army Campaign Plan for Warrior Traumatic Brain Injury (mTBI) Management. This campaign plan increased the forward screening, treatment and documentation for soldiers exposed to concussive events. The program will help the healthcare providers at Fort Campbell improve the medical care and treatment for soldiers who are displaying signs or symptoms of mTBI following their deployment. Additionally, under the direction of the Army's Assistant Surgeon General, a detailed plan for improved postdeployment behavioral health screening and treatment has been implemented. The plan increased both the number of providers on-hand at Fort Campbell, and also increased the access to behavioral health specialists through Virtual Behavioral Health.

COUNSELING SERVICES

Question. With the current deployment schedule, a heavy toll is being placed upon the spouses and children of servicemembers. How accessible are counseling services for deployed servicemembers' spouses and children?

Answer. The Army has an extensive array of behavioral health services and resources for soldiers and their families. These services include, but are not limited to, routine behavioral healthcare, School Behavioral Health Programs, Child and Family Assistance Centers, Army Community Service, the Family Assistance for Maintaining Excellence program, Warrior Resiliency Program, use of chaplains, Military One Source, and Comprehensive Soldier Fitness for Families. The Army developed its Comprehensive Behavioral Health System of Care Campaign Plan to standardize, synchronize, and coordinate behavioral healthcare across the Army, to optimize care and maximize limited behavioral health resources to ensure the highest care to soldiers and their families.

Question. Are these services available on all major military installations?

Answer. Yes. Counseling services are available for deployed servicemembers' spouses and children at all major installations.

Question. What programs are available for those living away from major military installations?

Answer. Eligible stateside TRICARE beneficiaries can access behavioral healthcare services through the TRICARE Assistance Program and are also eligible for counseling support through secure, two-way audio-visual conferencing to connect with authorized providers as part of TRICARE's Tele-mental Health program. Military OneSource provides access to face-to-face, telephone, online and email sup-

portive counseling services and is available 24 hours a day, 7 days a week for Active Duty servicemembers and their families.

IRELAND ARMY COMMUNITY HOSPITAL

Question. Ireland Army Community Hospital at Fort Knox is one of the oldest hospitals in the Army. With the new Brigade Combat Team stationed at the post, I am concerned over the state of the current hospital and its ability to meet the increased demands placed upon it. What is the status of the Army's decision on when to build a replacement?

Answer. The Army intends to replace Ireland Army Community Hospital (IACH). The current Defense Health Program Future Year Defense Program includes a phased funded replacement project for IACH beginning in fiscal year 2013.

POST-TRAUMATIC STRESS DISORDER (PTSD)/TRAUMATIC BRAIN INJURIES (TBI)

Question. Are there any further legislative steps that the Congress could take to improve screening and the delivery of care to soldiers with PTSD and TBI?

Answer. At this time there are no further legislative steps necessary to improve the screening of PTSD and TBI brain injury. The Army's Comprehensive Behavioral Health System of Care campaign plan was launched in February 2010 to standardize, synchronize, and coordinate behavioral healthcare across the Army and through the Army Force Generation cycle.

FORT KNOX

Question. With the addition of the new Brigade Combat Team at Fort Knox, what is the Army doing specifically to ensure that the installation is capable of deploying the unit with dispatch?

Answer. In March 2006, an assessment by the Transportation Engineering Agency calculated a rail deployment requirement of 360 railcars in a 48-hour period to deploy a Brigade Combat Team. In order to achieve that deployment tempo, the Army has programmed a 2014 project to upgrade the Brandenburg Station Road railhead in the fiscal year 2012 through 2016 Future Year Defense Program. The Army is currently reviewing all projects in anticipation of expected military construction reductions.

Question. What additional transportation or logistics facilities are needed to enhance Fort Knox's capabilities in this respect?

Answer. Two other projects will enhance the installation's deployment capabilities. A Container Handling Facility will support the increase in container processing that must occur for deployment. Additionally, a Vehicle/Equipment Processing Facility will assist with the tasks necessary to process the increased number of vehicles and other equipment that comes with deploying a Brigade Combat Team from the installation. Both projects are programmed to be funded in 2015 in the fiscal year 2012 through 2016 Future Year Defense Program. The Army is currently reviewing all projects in anticipation of expected military construction reductions.

SERVICEMEMBER CENSUS

Question. It is my understanding that there are at least three ways that the DOD could count servicemembers for purposes of the Census. The DOD today apparently uses "home of record" as the means of determining where servicemembers "live". This appears to be the case even though such data are often many years old. What is the policy justification for the DOD using this means of counting as opposed to other approaches, such as legal residence or last duty station, which might entail a more accurate methodology?

Answer. Using a servicemember's home of record (HOR) provides greater consistency and accuracy in the census in comparison to the other two approaches. The HOR is established at initial entry and can only be changed if there is an administrative error or when a servicemember re-enlists after having a 24-hour break in service. The HOR is also used to calculate a servicemember's Government travel expenses upon separation, therefore, returning the servicemember to the State of initial entry.

CHEMICAL WEAPONS DISPOSAL

Question. Please provide the Program Office Estimate (POE) projected date for completion of operations for chemical weapons disposal at Blue Grass Army Depot (BGAD), Kentucky.

Answer. The Assembled Chemical Weapons Alternatives (ACWA) POE developed in 2010 estimated the completion of chemical weapons destruction operations at

Blue Grass in May 2021. During the recently completed Nunn-McCurdy review of the program, risk elements were identified that will likely extend the schedule by approximately 24 months. The ACWA program continues to evaluate options to improve the overall schedule including the consideration of the use of explosive destruction technology. A new Acquisition Program Baseline will be developed by the fourth quarter of fiscal year 2011.

ASSEMBLED CHEMICAL WEAPONS ALTERNATIVES (ACWA)

Question. I am told that the Office of the Secretary of Defense Efficiency Initiatives memorandum, dated March 14, abolishes the Program Manager position of the Assembled Chemical Weapons Alternatives (ACWA). I am concerned that abolishing the ACWA Program Manager could leave the program without the leadership necessary to fulfill the mission—unless the Chemical Materials Activity Director remains as interim ACWA Program Manager indefinitely. I believe clarity is needed as to who is going to take long-term responsibility of the ACWA mission, consistent with existing law. If the reports are true, what impact would eliminating this position have on chemical weapons disposal efforts and the greater ACWA mission at BGAD?

Answer. In accordance with the Office of the Secretary of Defense Efficiency Initiatives Decisions memorandum dated March 14, 2011, the Program Manager, Assembled Chemical Weapons Alternatives (PM ACWA) Senior Executive Service (SES) position was eliminated.

However, as a result of the ACWA Program Nunn-McCurdy review, the Secretary of the Army is tasked to establish and fill the PM ACWA position by the first quarter of fiscal year 2012. Pursuant to section 1421 of Public Law 111-383, the PM ACWA shall report to the Under Secretary of Defense for Acquisition, Technology and Logistics. The U.S. Army Chemical Materials Agency (CMA) Director, Mr. Conrad Whyne, is the Acting PM ACWA, and will manage the ACWA program until the position is permanently filled.

The DOD understands the importance of the ACWA Program and will continue to maintain long-term responsibility and the essential management structure for the destruction of the chemical weapons stockpiles in Kentucky and Colorado.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

RESEARCH AND DEVELOPMENT INNOVATION

Question. Secretary McHugh, in the Fiscal Year 2011 Department of Defense Appropriations bill passed last month the Congress provided the Army with \$105 million for “Research and Development Innovation”. This was a new program line for the Army and the bill contained no explicit language prescribing the uses of that money. Does the Army currently have a detailed plan for how the \$105 million will be spent?

Answer. The Army is developing guidance for the execution of the \$105 million Rapid Innovation Program. We currently plan on defining a set of broad topic areas of importance to the Army, and issuing Request For Proposals (RFPs) on these topics. The RFPs should be issued in the next several months.

Question. Will the Congress be briefed on a spending plan in the near future?

Answer. Detailed plans will be provided to the Congress when the Army finalizes guidance for the Rapid Innovation Program, which should occur in the next several months. The Army will also provide regular reports on the use of this funding, as required by law.

INDUSTRIAL BASE

Question. Secretary McHugh, there has been much discussion in recent weeks on the combat vehicle industrial base but there appears to be an increasing concern over the weapon system industrial base writ large. What analysis does the Army conduct on the impact of ending programs on the industrial base?

Answer. On an annual basis, the Army conducts analysis and assessments on key industrial base sectors which produce weapon systems and critical components. The broad assessments and sector studies are utilized to make informed industrial base investment decisions, to include decisions on program termination impacts. These Army industrial base assessments are summarized in the Annual Industrial Base Report to the Congress. As an example of an Army assessment of ending combat vehicle production, the Army assessed and determined it prudent to temporarily close our primary assembly plant for heavy vehicles but keep critical suppliers like

special armor in active production status to protect our ability to restart production. As a result, the Army programmed needed funds to maintain that capability.

Question. Is the industrial base a manageable problem from your perspective?

Answer. Yes, however the current decline in the number of suppliers, a lack of surge capability, a dependence on foreign sources of supply, and a low-productivity growth rate in some important industries could prove to be challenging. We need to continue pursuing comprehensive and integrated approaches to determine which industrial capabilities are unique and vital to our national defense and if our military will be jeopardized if a company decides to terminate a vital activity or move production offshore. The national defense environment is dynamic and, unfortunately, no single criterion applies to all situations. Identifying vital, at-risk capabilities requires program managers and other logisticians to become involved.

TECHNOLOGY ADVANCEMENTS

Question. Secretary McHugh, recent technologies have begun to emerge which enhance the capabilities of our tactical assets to acquire, target and mitigate enemy rocket and mortar fire from the ground. How does the Army assess advancements in targeting sensors, missile guidance and control, and seeker technologies? Will the department pursue miniaturized, cost-effective, and deployable force protection systems?

Answer. There have been significant advancements in targeting sensors, missile guidance and control, and seeker technologies. The Army has ongoing Science and Technology investments to mature and evaluate these technologies. We plan to demonstrate their ability to target and mitigate enemy rocket and mortar fire over the next few years.

We have sought enhancements to all baseline components to ensure the capability to acquire, target and mitigate enemy rocket and mortar fire. At the same time, we are responding to changes in insurgent tactics and weapons. We have sought both mature and emerging technologies across the various services. We are demonstrating and evaluating these and programmed enhancements to existing systems over 6 major tests/demonstrations and 20 smaller events. The Counter-Rocket, Artillery, and Mortar (C-RAM) Program Office has integrated existing Navy, Marine Corp, and Air Force systems, in many cases employing them to perform new functions. The C-RAM Program Directorate works with DOD Program Managers of existing systems as well as the Science and Technology organizations and industry to identify technologies and systems that can improve force protection in Iraq and Afghanistan.

The Army is developing requirements consistent with emerging war fighter needs that provide better force protection. Miniaturization and cost-effectiveness are always considerations when developing force protection capabilities.

INJURY PREVENTION AND CONTROL

Question. Mr. Secretary, physical readiness is critical to mission success. Musculoskeletal injuries are the #1 issue inhibiting military readiness, resilience and deployability. At any given time we have a full brigade of soldiers that cannot deploy due to musculoskeletal injury. These injuries also strongly influence the quality of life in our older personnel decreasing productiveness and increasing medical costs. After Active Duty, these old injuries continue to affect the lives of our veterans. Nonetheless, the vast majority of our research funds are focused on battlefield injuries.

Today only 6 percent of the United States population meets current enlistment standards. While TRADOC has put in motion the "Soldier Athlete Initiative" and is exploring the Musculoskeletal Action Team concept within the training brigades, this leaves the largest number of soldiers (FORSCOM) without direct support in this area. In addition, if the Army were to expand its efforts beyond TRADOC, I understand there is a severe shortage in personnel, whether military, civilian DOD, or contractors, trained in sports medicine and orthopedic health available to address this critical need.

What is the Army currently doing to reduce the number of musculoskeletal injuries and the recovery time from those injuries across the Army? Please provide full background and statistics on improvement and cost savings to TRADOC, FORSCOM, and MEDCOM.

Answer. The U.S. Army Medical Command (MEDCOM) has initiated its comprehensive Soldier Medical Readiness Campaign (SMRC) to address and improve the medical readiness of the Army. Under SMRC, the Office of The Surgeon General and MEDCOM are partnering with the Headquarters Department of the Army, FORSCOM, TRADOC, U.S. Army Special Operations Command, Human Resources

Command, and others to promote a healthy population and ready force. The SMRC focuses on evidence-based health promotion, injury prevention, and human performance optimization. The U.S. Army is initiating/monitoring multiple programs that target both TRADOC and FORSCOM soldiers. These programs include, but are not limited to, the Initial Entry Training—Soldier Athlete Initiative, 4th Infantry Division Iron Horse Performance Optimization Program, 25th Infantry Division Advanced Tactical Athlete Conditioning Program, and the Fort Hood Physical Readiness Training Program. Additionally, the Army initiated the new Physical Readiness Training (PRT) in 2010.

This is a phased program that safely focuses on training the fundamentals first while enhancing strength, endurance, and mobility. We designed the PRT to incorporate appropriate intensity and duration of physical conditioning while allowing for adequate rest, recovery, and nutrition. A study conducted by the U.S. Army Public Health Command (Provisional) (PHC) found that soldiers in an infantry battalion were 1.2 to 1.4 times less likely to suffer an overuse injury when participating in the PRT versus traditional physical training programs.

It is still too early to draw definitive data on cost savings that have been realized from these programs. MEDCOM has ongoing collaborative efforts with PHC and U.S. Army Research Institute of Environmental Medicine to identify best practices for reducing injuries, improving readiness, and subsequently reducing costs.

Question. How does the Army propose to overcome the serious lack of sports medicine and orthopedic healthcare providers it now faces?

Answer. Currently, the U.S. Army does not face a lack of sports medicine or orthopedic healthcare providers. Numerous training programs specifically address sports medicine and orthopedic training for physician providers as well as physician extender providers. Physician programs include fellowships in both orthopedics and sports medicine. Nonphysician healthcare providers also have multiple programs that offer training in these specific subspecialties. For example, physical therapists are selected each year to attend residency programs in orthopedics or in sports medicine and physician assistants are selected for attendance to an orthopedic residency program. Additionally, our medics and specialty technicians (physical therapy, occupational therapy, and dieticians) receive extensive training and education within their respective programs in orthopedic and sports injury assessment and rehabilitation.

Question. Is the Army considering the development of training protocols that will increase the number of trained healthcare providers and as importantly the ability of officers and NCO's with oversight of physical training to recognize injuries or the precursor to injuries in an effort to prevent or control injury? If not, how will this issue be addressed?

Answer. The Army has a variety of healthcare providers, from medics and primary care physicians to specialists, who are trained in sports medicine and orthopedic specialties. Numerous programs exist to sustain the current base and provide leading edge training opportunities for physician and nonphysician providers. For example, entry level training by the U.S. Army Baylor University doctoral program in physical therapy is currently recognized as a leader in orthopedic and sports physical therapy education, including injury prevention and human optimization performance training. Postgraduate education for physician and nonphysician providers extends opportunities as fellowships, residencies and short courses. These programs include, but are not limited to, the military sports medicine fellowship for primary care physicians, advanced residencies in sports medicine and orthopedics for physical therapists, occupational therapists, physician assistants and other military providers.

Question. I understand that a number of small scale efforts are underway across the Army that have shown great success and cost savings surrounding musculoskeletal injuries. Are you aware of these efforts? Has the Army considered expansion of these efforts, and what would the impact of expansion mean for readiness?

Answer. We are aware of numerous small scale efforts across the Army aimed at addressing musculoskeletal injuries. These programs include, but are not limited to, the Initial Entry Training—Soldier Athlete Initiative, 4th Infantry Division Iron Horse Performance Optimization Program, the 25th Infantry Division Advanced Tactical Athlete Conditioning Program as well as programs throughout Special Operations Command. These programs augment the Army's validated physical readiness training. Army research and public health experts seek to identify objective and valid measures for success and cost savings in these programs. The collaboration among commanders, researchers and medical experts will assist in identifying best practices in order to expand these across the Army. It will be difficult to determine the impact on readiness and efficacy in reducing the risk and incidence of musculoskeletal injury until the ongoing studies are complete.

CANINE EXPLOSIVES DETECTION

Question. Mr. Secretary, IEDs seem to be a growing issue in Afghanistan and a continuing issue in Iraq, yet statistics provided by the Joint IED Defeat Organization (JIEDDO) indicate little improvement in our ability to detect and defeat IEDs in theater. There is, however, one technology that has proven to have greater success—explosive detection canines. The current and previous Directors of JIEDDO, Generals Oates and Barbero, as well as General Petraeus, have all acknowledged that canine detection teams remain the best technology to detect and defeat IEDs. In fact, units with canines have an 80 percent detection rate compared to 50–55 percent detection rate for all units with differing technology.

How many detection dogs are currently deployed or being trained for deployment?

Answer. The Army has 7 Patrol Explosive Detector Dogs (PEDD) assigned in Iraq. There are 174 explosive detection dogs assigned in Afghanistan: 5 PEDD, 25 Specialized Search Dogs (SSD), 12 Mine Detector Dogs (MDD) and 82 Tactical Explosive Detection Dogs (TEDD). Additionally, there are 40 TEDD teams in training.

Question. Where were these dogs bred, acquired and trained?

Answer. Procurement and training of all Military Working Dogs is the responsibility of the DOD Executive Agent (EA) thru the 341st Training and Readiness Squadron at Lackland Air Force Base in Texas. Current inventory of canines are bred and acquired through domestic and nondomestic vendors. The 341st also provides dogs through their in-house breeding program.

Question. What is the Army doing to acquire more quality trained dogs for deployment?

Answer. The DOD EA continues to procure/train Military Working Dogs for the Army. Additionally, based on an Operational Needs Statement (ONS) for a single purpose explosive detection capability in support of combatant commanders, the Army developed TEDD as an emergent requirement for additional capacity. Headquarters, Department of the Army validated that each deploying Brigade Combat Team will receive 20 TEDD dogs.

Question. Does the Army have standards on detection dogs that must be met by suppliers?

Answer. The DOD EA thru the 341st Training and Readiness Squadron creates and enforces the standards by which they procure dogs from a supplier. All dogs are screened and approved by veterinary personnel to ensure the dog is physically fit to meet the rigorous training standards. Once the dogs have completed training, all teams are certified by a Department of the Army certification authority before being accepted into the DOD program. Certification standards requires all teams to demonstrate the ability of finding explosives at a 95 percent find rate with a less than 10 percent false response rate. All TEDD must meet the same standards.

Question. What is the average total cost of a detector dog?

Answer. According to the 341st Training and Readiness Squadron at Lackland Air Force Base, Texas, the estimated costs are \$16,000 per dog; the average cost of a Tactical Explosive Detection Dog is \$14,000 per dog.

Question. Is the Army currently conducting R&D on detection dogs and methods to increase their effectiveness? If so, please provide details including costs and successes.

Answer. The Army is not conducting any Research and Development on detection dogs, but strives to meet operational needs by incorporating lessons learned and Techniques, Tactics and Procedures (TTPs) directly from theater into ongoing TEDD classes. One example is the introduction of homemade explosives into the training protocol of all explosive detector dogs. Army Testing and Evaluation has conducted an initial review of the first iteration of the TEDD. The Army is in close coordination with each of the services' Military Working Dog programs to incorporate pertinent lessons learned.

Question. What is the total amount to date the Army has spent directly on or with JIEDDO on IED detection and defeat R&D and asset acquisition? What percentage of that does the most successful asset, explosive detection dogs, represent?

Answer. The Army received \$7.5 million from JIEDDO over the past 8 years for Military Working Dog programs. Of that, \$5 million was split over 2 years to develop the Specialized Search Dog program, an off leash explosive detector dog team trained by the DOD dog center at Lackland Air Force Base in Texas. The remaining \$2.5 million was used to develop a combat tracking dog program in which the dog was used to track backwards from known IED sites.

We do not know what that represents as JIEDDO's total budget.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

RESERVE COMPONENT DISCHARGE ISSUES

Question. In 2007, I had the opportunity to visit with Alaska Army National Guard troops who were returning from Iraq and Kuwait at Camp Shelby in Mississippi. I was particularly interested in learning whether the returning guardsmen were getting medical and psychological screening similar in quality to the screenings that our Active Duty soldiers received upon their return. I was left with the sense that there were limited opportunities for returning Guard members to get help at Camp Shelby and those who sought help were referred to an Army medical facility in the Southeast United States rather than returned home to a military treatment facility in Alaska. This created an incentive for a soldier not to express a medical concern.

In 2010, my colleague Senator Wyden of Oregon exposed the concern that Oregon National Guard members returning to Fort Lewis were being discharged without receiving adequate treatment or counseling. To add insult to injury, it appeared that some members of the Fort Lewis medical staff were exposed to a briefing that suggested members of the National Guard were gaming the system and would feign injuries in order to continue on Active Duty.

All of this was deeply troubling to me . . . confirming my worst fears when I visited with Alaska troops at Camp Shelby.

Has the Army completed its investigation of the complaints arising from Fort Lewis and what was learned?

Answer. The investigation is complete. Based upon these experiences, the Army established a Demobilization Assessment Tiger Team (DAT2) to conduct a review of the demobilization process. The Army published Execution Order 178–11: Mobilization Command Support Relationships and Requirements Based Demobilization Process on April 14, 2011 based on the DAT2 findings. DAT2 found the demobilization process lacked standardization and oversight. In other words, the soldier's experience was very different at each demobilization site which led to possible gaps in fully identifying and evaluating battlefield injuries prior to a Reserve Component soldier's discharge from Active Duty.

The solutions currently being implemented to close the gaps identified include:

- Publishing specific standards for Reverse Soldier Readiness Processing (i.e., demobilization) medical processes to include specified behavioral health tasks;
- Coordinating with TRICARE Management Activity to update and standardize the TRICARE briefing provided to each RC member; and
- Standardizing the Medical Briefing provided at each demobilization site in order to ensure each soldier has the same understanding of medical and dental screening tasks to be completed, medical evaluation and treatment options to include retention on Active Duty under medical retention processing authorities or care options if the soldier chooses to be released from Active Duty.

U.S. Army MEDCOM and its subordinate commands will continue to utilize the Organization Inspection Program and Staff Assistance Visits to ensure compliance with these new policies and procedures throughout the command.

Question. What steps are being taken to ensure that battlefield injuries sustained by members of the Reserve Component are being fully identified and evaluated before a soldier is discharged from Active Duty? I would like you to speak both to physical injuries and behavioral health issues in answering this question.

Answer. In April 2011, the Army published a Department of the Army Execution Order (EXORD) to address standardization and oversight within the demobilization process. Specific steps to fully identify and evaluate battlefield injuries before a soldier is discharged from Active Duty includes the utilization of a down-range assessment tool. This assessment is used to provide early indications of who may be at high risk for behavioral health issues so that the receiving demobilization platform is ready to care for them. Additionally, along with the postdeployment health assessment that all soldiers receive upon redeployment, U.S. Army Medical Command has implemented a Periodic Health Assessment for Reserve Component soldiers at the demobilization site to ensure a comprehensive assessment of their medical and dental readiness is documented.

To ensure proper coordination with Reserve Component commands, DA EXORD 178–11 incorporated a deployment support cell (DSC) from the Reserve Components' command into the demobilization process. The medical element of the DSC monitors and assists with line of duty completion for all soldiers requiring documentation of medical conditions sustained in the line of duty and ensuring continuity of care for those soldiers choosing to be released from Active Duty. DA EXORD 178–11 also mandates that a demobilization validation board reviews each soldier's record prior

to departure from the demobilization station in order to validate whether the soldier meets the criteria for release from Active Duty or requires further medical care.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

COMPETITION

Question. Mr. Secretary, what assurances can you give the Committee that the results of the new carbine competition will consider best value—a competitive procurement cost coupled with due consideration of the total life cycle cost of the new carbine—rather than simply awarding the contract to the lowest bidder?

Answer. The IC procurement strategy is being conducted as a full and open competition to ensure that the soldier receives the best overall weapon at the best value to the Government. Full and Open Competition permits the Army to exploit commercially available advances in small arms capabilities. In addition to cost, IC candidates will be evaluated against a number of factors, including accuracy, reliability/durability, fielding, facility capability, and operational and supportability impacts. As part of the competition, a Limited User Evaluation (LUE) will be conducted in order to obtain user assessment of the system. At the end of the competition a Cost Benefit Analysis (CBA) will be conducted to consider the performance, life-cycle cost, and terms and conditions of the selected system as compared to the current carbine.

Question. Do you agree that it would be wrong to the taxpayer and the soldier if the Army simply goes with the cheapest solution, only to have the contract winner potentially recoup its profit via engineering changes, delays and other modifications, as has occurred with other small arms contracts?

Answer. Yes, the IC procurement strategy is designed to ensure that the soldier receives the best overall weapon at the best value to the Government. While cost is one of many considerations, best value does not mean lowest cost. Best value also includes an array of considerations, including weapon performance and reliability in test and evaluation, past vendor performance, soldier input, and numerous other factors.

QUESTIONS SUBMITTED BY SENATOR DANIEL COATS

TACTICAL RADIOS

Question. In 2009, the Army initiated the Rifleman Radio Competition Integration (RRCI) to support the test, evaluation and certification of alternative Rifleman Radio (RR) offerings to meet the warfighter's requirements at a competitive price. It is my understanding that to date, the RRCI has not been fully implemented. In January 2011, the Undersecretary of Acquisition, Technology and Logistics (AT&L) issued an Acquisition Decision Memorandum asking the Army to report back by 1 February 2011 on a new radio acquisition strategy with the twin goals of "focusing on that capability which is within reach for near term delivery to the warfighter" and "providing potential competition for production at the earliest possible time." The RRCI initiative was undertaken to increase competition, drive up the capability and drive down the cost of acquiring the RR. What is the Army doing to implement this program and are you currently expecting a higher than projected cost per radio?

Answer. The RRCI efforts have been implemented as a voluntary program for interested vendors. The RRCI program allows the vendors to complete as much, as or as little testing, at their own expense, based on their business decisions. To date, only one vendor (ITT) has participated in any Joint Program Executive Office supported testing. ITT will complete certification testing in July 2011. ITT has not indicated that they are willing or interested in participating in any further testing. Also, no other vendors have expressed any interest in participating in any testing. Nevertheless, the Rifleman full-rate production contract will be a full and open competition allowing any vendor who deems their radio technically acceptable to compete. The Unit Cost of RR is not expected to be higher than projected. The current Program of Record RR has been able to reduce the number of components in the radio while increasing reliability, resulting in a lower cost radio.

ACOUSTIC HAILING DEVICE

Question. I commend the Army for adopting a centralized acquisition strategy to acquire the advanced acoustic technology Acoustic Hailing Device (AHD) as a supplemental component of the Program Management Office of the Close Combat Systems, Joint Munitions and Lethality, United States Army located in Picatinny Arsenal, New Jersey. Tactical use of AHDs has the potential to save lives and deter cata-

strophic attacks, and they should be widely fielded at the earliest opportunity. Can you provide me an estimate of the acquisition schedule as well as the status of the funding required?

Answer. Based on an approved Capabilities Production Document, the Army plans to initiate the Acoustic Hailing Device (AHD) procurement program with a Material Development Decision in the 4th Quarter, fiscal year 2011, and anticipates issuing a Request For Proposal (RFP) for a Full and Open Competition by the end of the 1st Quarter, fiscal year 2012. Our market research has shown that we can expect up to six vendors to respond to the RFP. Testing and analysis of the vendor's products will consume most of the remaining fiscal year. We plan to award a contract to a single vendor in the 4th Quarter, fiscal year 2012. The fiscal year 2012 President's budget requested \$34.923 million, split between base budget and Overseas Contingency Operations funds, to procure approximately 1,209 AHDs. There is also approximately \$50 million in fiscal years 2013 through 2016 to procure additional AHDs.

QUESTIONS SUBMITTED TO GENERAL MARTIN E. DEMPSEY

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

FISCAL YEAR 2012 EFFICIENCIES

Question. General Dempsey, are you confident that the efficiencies that the Army has identified are in areas that could be reduced with minimal risk to operational capabilities?

Answer. The Army's efficiency initiatives proposed in the fiscal year 2012 budget request do not create undue risk to operational forces. We used comprehensive capability portfolio reviews to terminate or reduce weapons systems with declining relevance or unneeded redundancy; the Army ensured training programs and equipment programs terminated, reduced or deferred would not pose a threat to its ability to conduct the full range of military operations and represented the lowest priority requirements. Army efficiency initiatives include implementing an aggressive plan to streamline management headquarters and reduce overhead by consolidating organizations. Some service and support contracts were reduced within the Army's Generating Force, leveraging investments in existing infrastructure and consolidating information technology, which will provide efficiency and maintain or improve effectiveness in supporting the Operating Force. In accordance with the Office of the Secretary of Defense's direction for us to plan to reduce our end strength by 27,000 by fiscal year 2015, we are conducting deliberate analysis now to determine which capabilities should be reduced and how the drawdown plan will proceed to ensure that our operational capability is minimally affected.

FAMILY SUPPORT PROGRAMS

Question. General Dempsey, the Army has worked hard over the last several years to build resilience in the force by institutionalizing programs such as the Comprehensive Soldier Fitness (CSF), the Army Campaign for Health Promotion, and Suicide Prevention. These programs teach soldiers, families, and civilians coping skills for dealing with the stress of deployments in everyday life. What role will your quality of life programs take in preparing the Army over the next decade?

Answer. The Army's senior leadership is fully committed to the well-being of soldiers, families and civilians. They have adopted two major programs to address these issues: the CSF, which is designed to build psychological strength and resilience; and the Army Campaign Plan for Health Promotion and Risk Reduction, which is designed to improve programs and services that identify, respond and treat individuals in need of assistance.

The CSF Program will play a significant role in quality of life of the force over the next decade. The CSF represents the Army's investment in the readiness of the force and the quality of life of our soldiers, family members, and Army civilians. It is a long-term strategy to provide soldiers the critical skills they need to take care of themselves, their families, and their teammates. The program develops the "whole person," by giving the same emphasis to psychological strength that is often given to physical strength. The CSF training focuses on increasing physical, emotional, social, spiritual, and family strengths through a program of continuous self-development and education. Additionally, mid-level noncommissioned officers from both the operating and generating forces are being taught to train resilience concepts to soldiers in their units. This enables members of the Army community to more easily manage various physical and psychological challenges in their personal

and professional lives. The program takes a deliberate approach to equip the force with the psychological tools to deal with a variety of ambiguous threats.

The Army Campaign Plan for Health Promotion and Risk Reduction is the Army's method to create enduring changes to policies, programs and services that are designed for early identification of "high-risk" behavior, such as substance abuse and behavior problems, that will allow leaders to intervene early. The Army is focusing its efforts on ensuring that policies and programs are synchronized and effective. We are developing a comprehensive Health Promotion and Risk Reduction Program Portfolio to support integration across the Army while leveraging the Department of Defense (DOD), Federal, VA and civilian community-based programs, services and initiatives. The commitment of Army senior leadership and the efforts of leaders at all levels will make significant changes to the way Army does business with respect to Health Promotion and Risk Reduction. This is an enduring problem that requires enduring solutions.

FUTURE FORCE MIX

Question. Along with end strength decisions, the Army is currently assessing its future force composition. Recent press has reported that both the DOD and Army leadership have raised concerns over how the future Army will structure itself, including the size and the number and composition of its deployable units, such as combat brigades. General Dempsey, what is your assessment on the composition of the future force?

Answer. Our plan is to reduce the Army's end strength and restructure the force mix consistent with reductions in overseas contingency operations commitments and in conjunction with the needs of the Department and the combatant commanders. Even with budgetary constraints, our intent is to have the right mix of capabilities to meet current demands as well as future challenges. We will achieve this by ensuring our forces have the greatest possible versatility while maintaining core capabilities. We are conducting a deliberate analysis for 2014–2018 to determine the correct Army capabilities and force structure mix and the correct path to implement. We are also working closely with the Joint Staff in their strategic review to ensure our analysis is consistent with their ongoing efforts.

GROUND COMBAT VEHICLE

Question. General Dempsey, what added fighting capability will the Army receive from its Ground Combat Vehicle?

Answer. The Ground Combat Vehicle will provide soldiers the protected mobility they need to operate across the full spectrum of operations. It will also have the growth potential required to incorporate advances in protection or network capabilities for the full infantry squad. The GCV will combine the protection of the Mine Resistant Ambush Protected (MRAP), the mobility of the Bradley, and the operational flexibility of the Stryker. No single vehicle currently provides those attributes. Nor does a single vehicle address the capability gaps associated with MRAP mobility, Bradley internal capacity, and Stryker force protection. The GCV uses lessons learned to provide our soldiers a vehicle with the capabilities they need to accomplish the mission and provide better protection.

HEALTHCARE PROPOSALS

Question. General Dempsey, I believe that the healthcare benefits we provide to our servicemembers and their families are one of the most basic benefits we can provide to the men and women serving our Nation and I also believe it is one of the most effective recruiting and retention tools you have at your disposal. The DOD is proposing several changes to the military health system that could go into effect as early as October of this year. Do you support these cost saving measures?

Answer. Yes. These proposals balance our commitment to preserve the healthcare benefit while slowing future growth in healthcare costs.

Question. Could you please explain what impact they might have on recruiting and retention?

Answer. Healthcare benefits are an important component in motivating applicants to join the Army and remain for a career. Current accession propensity research shows the top reasons that youth would consider joining are extrinsic: pay/money, pay for education, and benefits (health, retirement, etc.). However, we believe that possible increases to TRICARE premiums for retirees would have little to no effect on recruiting and a minimal effect on retention.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

TANKS

Question. General Dempsey, regarding the Abrams tank program, no one on this subcommittee would support continued procurement of tanks for the sake of simply buying more tanks. However, it is our understanding that the Army plan includes the fielding of more than 600 M1A1 Abrams tanks to National Guard forces for the next several decades. These tanks are a generation old and cannot accommodate modern technologies such as communications equipment. Why would we not procure and field the most modern tank available—the M1A2 SEP tank—to all Army heavy forces?

Answer. The Army agrees with the subcommittee's position that we should not buy tanks for the sake of buying tanks. The M1A1 SA remains one of the best tanks in the world, providing overmatch against known threats and digital command interoperability within the Heavy Brigade Combat Team formation. The Army does not plan to immediately replace this very capable and relatively young portion of the Abrams fleet. The Army National Guard (ARNG) began receiving the M1A1 SA tank in August 2008 and will complete fielding in June 2014. The ARNG will also receive a brigade set of M1A2SEPV2 Abrams tanks in June 2011. The Army plans to invest in the Combat Vehicle Modernization Strategy which includes modernization of the Abrams fleet to give it the power generation and power distribution needed to allow for the integration of modern technologies.

MISSILE DEFENSE

Question. General Dempsey, the DOD has spent considerable effort over the last decade developing a comprehensive roadmap for Integrated Air and Missile Defense and improving combat identification and friendly protection capabilities. The Army, Navy, and Air Force have significant joint efforts ongoing to solve these complex theater-dominated issues. If Army Ballistic Missile Defense (BMD) efforts transition to the Missile Defense Agency (MDA) control, how will the MDA and the Army ensure that the Army multi-purpose weapons and sensors remain tied to the Joint architecture and operating concepts since MDA is not required to participate in the Joint Capabilities Integration Development System (JCIDS) process?

Answer. It is the responsibility of both organizations to ensure Army and the JCIDS operational requirements and Army system requirements are achieved and included in synchronized budget submittals. The Army is working closely with the MDA to ensure that critical issues, such as the one raised here and others along the Doctrine, Organization, Training, Logistics, Materiel, Personnel, and Facilities spectrum, are addressed in the transfer discussion. The Army appreciates the complexities of meeting Joint Architectures when MDA is not required to participate in the JCIDS process. Our initial approach is to designate the Program Executive Officer for Missiles and Space (PEO M&S) to simultaneously serve as MDA's program executive for Army BMD Systems to manage the development, integration, testing and production of Army BMD capabilities in conjunction with Army Air and Cruise Missile Defense (ACMD) programs. Additionally, before BMD materiel development responsibility transfers in October 2012, the Army will address how best to align JCIDS requirements with the "Warfighter Involvement Process" (WIP), which results in a "Prioritized Capability List" (PCL), a major factor in determining MDA's resource prioritization. Having a single PEO responsible for BMD and ACMD should ensure an integrated materiel solution. Including the WIP/PCL processes in conjunction with JCIDS should allow the Army to clearly articulate its needs to both communities.

Additionally, the Missile Defense Executive Board (MDEB) will provide further collaborative oversight and guidance to supplement and integrate the work of the WIP/PCL across the Department of Defense (DOD). The Army expects that the current Joint Operational Concepts will be unaffected by transfer of BMD material development responsibilities.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

SUICIDE

Question. The prevention of suicide presents very complex challenges. But I believe it is important that we get the issue out in the open and do all that we can to reduce our suicide rates to zero. I understand that suicide among Active Duty troops declined somewhat in 2010 but suicide rates among members of the Reserve Component spiked.

What, if anything, are we learning in our efforts to prevent suicide among our soldiers?

Answer. While the Army has greatly increased its knowledge about suicidal behavior in our population, we have not found a single factor or issue that is the prevalent risk factor. The Army's Vice Chief of Staff conducts monthly "after action reviews" of recent suicide deaths via a world-wide video teleconference with senior Army leaders. This forum allows the Army senior leaders to learn from other commanders what actions are proving to be most effective at addressing these problems.

The Army released the Health Promotion, Risk Reduction, and Suicide Prevention (HP/RR/SP) Report in July 2010. This report was the result of a focused 15-month effort to better understand the increasing rate of suicides in the force. This candid report is intended to inform and educate Army leaders on the importance of recognizing and reducing high-risk behavior related to suicide and accidental death, and reducing the stigma associated with behavioral health and treatment. It represents the next phase in the Army's ongoing campaign to promote resiliency in a force that has been at war for nearly a decade. Key findings include:

- There are gaps in the current HP/RR/SP policies, processes and programs necessary to mitigate high-risk behaviors;
- There has been an erosion of adherence to existing Army policies and standards;
- The Army has seen an increase in indicators of high-risk behavior including illicit drug use, other crimes and suicide attempts;
- Lapses in surveillance and detection of high-risk behavior;
- There is an increased use of prescription antidepressants, amphetamines and narcotics; and
- Degraded accountability of disciplinary, administrative and reporting processes exacerbate the problem of high-risk behavior.

General Chiarelli sent a message to all the senior leaders in the Army this past month to reinforce leadership responsibilities. In it he told leaders: "When it comes to suicide and other high-risk behavior, we cannot afford to relearn past lessons. Incumbent leaders must train and familiarize new leaders with the principles discussed in chapter three of the Task Force's July 2010 report (The Lost Art Of Leadership In Garrison). The report can be accessed at www.preventsuicide.army.mil in the commander's tool kit. The report emphasizes the need for leaders to respond when soldiers engage in risky behavior—first to protect their health and then to hold them accountable as appropriate. The lessons in leadership presented in this chapter are still relevant today and critically vital to the health of the force."

Finally, the Army has entered into a long term study with the National Institute of Mental Health (NIMH), the largest behavioral health epidemiological study that the Armed Forces has ever undertaken (The Army Study to Assess Risk and Resilience in Servicemembers or Army STARRS). After 1 year of finalizing the study design, obtaining institutional review board approval, and constructing the necessary capability to gather and analyze data; the Army STARRS team is beginning to conduct the new soldier study and all Army study. To date, just over 10,000 soldiers have been interviewed. No definitive results or conclusions have been obtained to date.

Question. Are you identifying any innovations that offer the promise of further reducing the rates of suicide?

Answer. The Army continues to evaluate and modify programs and services that are related to health promotion, risk reduction and suicide prevention. We believe that early identification of "high-risk" behavior, such as substance abuse and behavioral problems, will allow leaders to intervene early. The Army has engaged leaders at all levels to improve education and awareness of behavioral health issues and high-risk behaviors. The Army has increased behavioral health providers at the brigade level in active, National Guard, and Army Reserve units; required increased behavioral health screening before and after deployments; improved training for chaplains and suicide prevention coordinators; and improved training for primary care medical providers to identify and respond to behavioral health issues. Some of the actions that Army has taken include:

- Released the Health Promotion, Risk Reduction and Suicide Prevention Report 2010.
- Produced the interactive "Home Front" training video, which included scenarios for Active, National Guard and Reserve soldiers; Army civilians; and family members.
- Produced the "Shoulder to Shoulder: No Soldier Stands Alone" training video.
- Initiated "face-to-face" postdeployment behavioral health screening (in person or virtual) for all Brigade Combat Teams.

- From December 2009 to November 2010, 218,868 soldiers completed Post-Deployment Health Assessments (PDHA) (141,381 Active Component and 77,487 Reserve Component). The PDHA is used to help identify soldiers who may need a more detailed behavioral health screening by behavioral health providers or specially trained medical personnel.
- Expanded behavioral health providers and services across the Army. During fiscal year 2010, the Army funded 40 unique psychological health programs providing a range of expanded healthcare services to our beneficiaries and obligated over \$168 million additional dollars to behavioral health services.
- Increased the number of Military Family Life Consultants (MFLCs) that work with children and families to provide them support during transitions and separations. Increased from 23 in fiscal year 2007 to over 270 in fiscal year 2010. These MFLCs are embedded in youth service facilities and in on- and off-post schools.
- Implemented standardized screening protocols for soldiers exposed to concussive events to improve early diagnosis and treatment.

Question. Is the Congress providing the Army with adequate funds to meet this challenge?

Answer. Yes, adequate funding for suicide prevention has been provided. The Army budget adequately funds suicide prevention coordinators across the Active Duty force, Army National Guard, and Army Reserve. In fiscal year 2012 the Army intends to fund Applied Suicide Intervention Skills Training (ASSIST) training/kits, Shoulder to Shoulder and Home Front training videos, Suicide Awareness Guide for Leaders, and training aids/products for the Active Army, Army Reserve, and Army National Guard soldiers similar to previous years.

The budget request for fiscal year 2012 includes adding 24 behavioral health officers and enlisted technicians to National Guard Brigade Combat Teams and expands the Reserve Component substance abuse program. It also included additional funding for 54 Suicide Prevention Program Managers for the National Guard, 38 Suicide Prevention Program Managers for the Army Reserve, and ASSIST training and kits for the Reserve Component.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

CARBINE WEAPON SYSTEMS

Question. In 2004, Special Operations Command (SOCOM) began a carbine competition. Nine vendors submitted a dozen designs for a new modular, multi-caliber weapons system. SOCOM chose a winner without protest. Over the next 6 years of research, development, testing and evaluation (RDT&E) and millions of taxpayer and private dollars spent, SOCOM ultimately approved a new carbine family of weapons for full-rate production in July 2010. This carbine remains a DOD program of record and is currently deployed in combat.

Last July, General Chiarelli, Vice-Chief of Staff of the Army, stated in the National Defense Magazine that “the Army is wasting money on systems that already exist within the service or in other branches of the military. New weapon requirements often are conceived ‘in a stovepipe.’” He went on to say, “that approach prevents the Army from taking advantage of technology that is already being purchased elsewhere.” In September 2010, Army Colonel Doug Tamillo, the Program Executive Officer (PEO)-soldier and manager responsible for the Army’s new carbine competition, noted the Army will spend over \$30 million of taxpayer money just in testing to make sure we get [the new carbine competition] right.” He went on to describe a dual path strategy and how industry will be able to design a new carbine “that can outperform the M4.”

In December 2010, PEO-soldier, through Picatinny Arsenal, received an unsolicited proposal to obtain the new SOCOM carbine Technical Data Package (TDP). PEO-soldier rejected the proposal. SOCOM’s carbine underwent 6 years of RDT&E, has fired over three million rounds, and is deployed in combat. Adopting SOCOM’s carbine TDP would save the taxpayer over \$30 million associated with the carbine competition, while minimizing acquisition timelines. The Army would therefore be able to have a full and open competition on continued development and manufacturing of an already competed and tested solution.

Why would the Army ignore SOCOM’s 2004 carbine competition that resulted in full-rate production only last July? Doesn’t that represent the waste of money and the “stovepipe” functionality that the Vice Chief of Staff of the Army wants to avoid?

Answer. The Army did give consideration to the United States Army Special Operations Command’s (SOCOM) 2004 carbine competition. However, the SOCOM re-

quirement, in which the 2004 competition was based, was for a multi-caliber, configurable weapon, which is not the same as the Army requirement. Further, since 2004, competition in the small arms industry has increased and there are many more competitors in the market today. In addition, on October 14, 2008, the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Public Law 110-417 (attached), stated that, "If the small arms capabilities based assessments by the Army identifies gaps in small arms capabilities and the Secretary of the Army determines that a new individual weapon is required to address such gaps, the Secretary shall procure the new individual carbine using full and open competition . . ." The Secretary of the Army, in a memorandum dated October 2, 2008, directed the Army to "take all necessary actions to initiate a best value, Full and Open Competition . . . for a carbine that addresses current and emerging threats."

The Full and Open Competition for a new Individual Carbine (IC) will be conducted in accordance with the Competition in Contracting Act in order to ensure that the soldier receives the best overall weapon at the best value to the Government. The Government is conducting a dual path strategy to deliver the best carbine to the Warfighter and reduce the risk to the taxpayer. This approach is in-line with the Defense Acquisition Executive's (DAE) direction to promote real competition across the Department of Defense. The vendor is open to submit the Special Operations Forces Combat Assault Rifle (SCAR) proposal in the IC competition for best value evaluation.

Question. If you believe that SOCOM and the Army have different weapons requirements, what steps did the Army conduct to evaluate and analyze SOCOM's carbine development before engaging in a similar carbine development effort?

Answer. Project Manager (PM), Soldier Weapons informally participated in SOCOM's carbine evaluation and was kept abreast of the process, test results, and scoring. The PM was not authorized to use SOCOM's criteria and adopt the Special Operations Forces Combat Assault Rifle because the Army was directed to conduct a Full and Open Competition to consider all weapons to equip our soldiers. We are therefore looking beyond SOCOM-specific requirements for this capability.

Question. What analysis of existing alternative capabilities did the Army conduct before beginning the new carbine competition?

Answer. The Army waived the regulatory requirement for an Analysis of Alternatives (AoA) in December 2010. It was determined that an AoA would not produce additional relevant information in support of the program since the Key Performance Parameters and Key Systems Attributes were baselined on the current M4 Carbine capability as directed by the Army Requirements Oversight Council (AROC). Instead the Army will conduct a Cost Benefit Analysis (CBA) using actual data collected during test and evaluation of the IC candidates and proposals at the conclusion of the competition to determine whether the Army should pursue procurement of the new IC or continue to procure the current M4A1 carbine.

Question. If the Army did not conduct such an analysis, please provide this committee with documentation demonstrating that a waiver was granted.

Answer. The waiver recommendation and Acquisition Decision Memorandum that approve the waiver are attached.

MEMORANDUM FOR DEPUTY FOR ACQUISITION AND SYSTEM MANAGEMENT, ASSISTANT SECRETARY OF THE ARMY FOR ACQUISITION, LOGISTICS AND TECHNOLOGY

Subject.—Individual Carbine Materiel Development Decision (MDD) Review

—References:

- Memorandum, ASA (ALT) Policy, Subject: Materiel Development Decision (MDD) Reviews, 02 Dec 09.
- Memorandum, DAMO-CIC, Subject: Approval of the Individual Carbine (IC) Capability Development Document (CDD), 09 Aug 10.
- Memorandum, DAMO-CIA, Subject: Individual Carbine (IC) Analysis of Alternatives (AoA) Waiver, 31 Aug 10.
- Request the Army Acquisition Executive (AAE) conduct an MDD Review to address the Individual Carbine (IC) Capabilities Development.
- The IC CDD, approved on 09 August 2010, establishes the operational requirements to be addressed by the IC materiel solution.
- Preliminary cost estimates indicate the proposal represents a potential ACAT II program.
- I believe an Analysis of Alternatives (AoA) is not required to support the recommended IC Program. The proposed IC Program will execute a Commercial-off-the-Shelf/Nondevelopmental Items System Competition. Key Performance Parameters and Key System Attributes in the IC CDD were baselined on the

current M4 Carbine capability as directed by the June 2008 Army Requirements Oversight Counsel (AROC). An AoA would not provide relevant information in support of the MDD.

- This IC CDD addresses the capability gaps identified in the January 2008 Small Arms Capabilities Based Assessment. In June 2008 the AROC directed Training and Doctrine Command (TRADOC) to write a carbine requirement based on current capabilities with objective performance enhancements. In October 2008, the Secretary of the Army concurred with the AROC direction and further directed the Army Acquisition Executive to initiate a best value, full and open competition based on the new carbine requirement to provide our Warriors with an enhanced carbine that will maintain their weapons superiority.
- Request that the Army MDD be scheduled in Oct 2010 so that decisions can be executed in conjunction with the Program Budget Review (PBR) 13–17. Army G–3/5/7 will coordinate with TRADOC, Program Executive Officer-Soldier, and the Army Staff to organize the information required for the MDD briefing.
- The HQDA G–3/5/7 POC for Soldier Weapon Systems is LTC Karl Petkovich, DAMO–CIC.

MEMORANDUM FOR PROGRAM EXECUTIVE OFFICER, SOLDIER

Subject.—Acquisition Category (ACAT) II Designation for the Individual Carbine Capability (IC) and Designation of Milestone Decision Authority (MDA)

- I have reviewed and approve your request to designate the IC program as ACAT II as outlined in Chapter 3 of Army Regulation 70–1 and I will retain the MDA as the Army Acquisition Executive. You are approved to initiate the IC program at pre-Milestone (MS) B.
- Once I have approved the Acquisition Strategy, I authorize you to expend the appropriate funding to execute the strategy and release the final request for proposals to initiate and conduct the IC competition under Full and Open competition procedures.
- In view of the recent approval of the Capability Development Document and the request from the Army G–3/5/7 to waive the regulatory requirement for an Analysis of Alternatives, I approve that waiver and direct that you return within 60 days with all the required documentation to obtain a positive MS B decision and enter the Engineering and Manufacturing Development phase.
- The point of contact is Mr. Shelby Stevens.

Question. If the Army did not conduct an analysis of existing alternatives, and received no waiver, why did you not attempt to thoroughly analyze current DOD programs of record before spending taxpayer dollars?

Answer. As discussed previously, a waiver was granted by the Army Acquisition Executive.

Question. Do you believe that the Army's new carbine competition indicates that the Army was not fully aware of SOCOM's competition? Do you think the Army's lack of proper analysis of existing programs may have contributed to this?

Answer. No, the Army was fully aware of the SOCOM carbine competition. The Army Requirements Oversight Council directed the Training and Doctrine Command to develop a new carbine requirement and to provide our soldiers with the best carbines available in the world. If the Special Operations Forces Combat Assault Rifle is submitted as an IC candidate, it will be evaluated against the IC requirements.

SUBCOMMITTEE RECESS

Chairman INOUE. The subcommittee will reconvene on Wednesday, May 25, at 10:30 a.m. to listen and receive testimony from the Missile Defense Agency.

We will now stand in recess.

[Whereupon, at 12:06 p.m., Wednesday, May 11, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, May 25.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, MAY 25, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Cochran, Shelby, Murkowski, and Graham.

DEPARTMENT OF DEFENSE

MISSILE DEFENSE AGENCY

STATEMENT OF LIEUTENANT GENERAL PATRICK J. O'REILLY, DIRECTOR, U.S. ARMY

STATEMENT OF CHAIRMAN DANIEL K. INOUYE

Chairman INOUYE. This morning we are pleased to welcome Lieutenant General Patrick O'Reilly, the Director of the Missile Defense Agency (MDA), to discuss the administration's fiscal year 2012 budget request for missile defense programs. For fiscal year 2012, MDA is requesting \$8.6 billion, an increase of \$120 million over amounts appropriated in the last fiscal year, to support a viable homeland defense, finance European regional defenses, continue testing the current system, and to develop new capabilities to address emerging threats.

Fiscal year 2012 will mark the 10-year anniversary of the Missile Defense Agency, although its predecessor organizations track their origins way back to 1983 when President Reagan launched the Strategic Defense Initiative 28 years ago. Since its inception MDA has developed and fielded highly complex integrated missile defenses against short-range, medium-range, and intercontinental ballistic missiles.

For the defense of our homeland, the agency has emplaced 30 ground-based interceptors in Alaska and California, and for regional defenses MDA and the Navy have delivered 23 aegis ballistic missile defense ships capable of engaging short to medium-range missiles. In addition, the President has tasked MDA with carrying out the European phased adaptive approach to provide regional missile defense for allies. Finally, MDA continuously develops and fields upgraded capabilities to counter evolving threats.

So, General, I congratulate you and your dedicated team at MDA for your many, many successes. As you know, development of these highly sophisticated systems has not always been easy, and it carries a large price tag. For example, last year the ground-based interceptor failed two flight tests within the span of 11 months. From an operational perspective, this is obvious cause for concern. From the taxpayers' standpoint, these tests cost over \$200 million apiece, so we can no longer afford to fail.

In addition, last year the terminal high altitude area defense (THAAD) interceptor requested some redesign work that resulted in significant production delays. I strongly support the THAAD program and these missiles need to be fielded. However, it is critical that the new design works and is producible in quantities that have been requested.

This subcommittee was also concerned last year over the procurement strategy of the standard missile program and redirected funding to continue buying the block 1A standard missile since the block 1B development was delayed.

The fiscal year 2012 budget request again includes no funds for the block 1A missile. Yet the request includes over \$500 million for the procurement of 1B missiles. Although we will not know until the test late this summer whether the redesigned missile works, this seems like a risky strategy, especially when the Navy requires more missiles to respond to real-world threats than are in the inventory today.

So I look forward to hearing from you, sir, and hearing your thoughts on how you plan to address the challenges mentioned.

However, before we proceed I'd like to turn to the vice chairman of the subcommittee for any remarks he may wish to make.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. I'm very pleased to join you in welcoming General O'Reilly to be here today to testify before our subcommittee as we continue our review of the President's budget request for fiscal year 2012 for the Department of Defense.

Specifically, we are interested in the provisions relating to our missile defense capabilities. We recognize the seriousness of purpose that this office requires of General O'Reilly and we appreciate the experience and know-how he brings to this task. He's got a very challenging job. We look forward to hearing the testimony and working with him and others in the Department of Defense on making sure that we are allocating the funds we need and that they are justified and that they will lead to the development and deployment of an effective missile defense system.

Thank you.

Chairman INOUE. Thank you very much.

Senator Shelby.

Senator SHELBY. Mr. Chairman, I too would join you and Senator Cochran in welcoming General O'Reilly and we look forward to his testimony.

Chairman INOUE. Care to make a statement?

Senator GRAHAM. Thank you. I'm ready to listen.

Chairman INOUE. Then it's your show, sir.

SUMMARY STATEMENT OF LIEUTENANT GENERAL PATRICK J. O'REILLY

General O'REILLY. Thank you, Chairman Inouye, Ranking Member Cochran, and other distinguished members of the subcommittee. I thank you for the opportunity to testify today on the Missile Defense Agency's \$8.6 billion fiscal year 2012 budget request to develop protection of our Nation, our armed forces, allies, and friends against the growing threat of proliferating—the proliferation of increasingly capable ballistic missiles of all ranges.

In fiscal year 2012 we propose to complete the initial fielding of the Ground-based Midcourse Defense, or GMD, system for homeland defense against first generation intercontinental ballistic missiles, or ICBMs. We are also on track to develop, test, and deliver the phased adaptive approach to regional defense announced by the President in September 2009. We will deliver initial defense of Southern Europe by December of this year, enhance that defense against medium-range ballistic missiles in 2015, further enhance the defense of all European NATO countries against intermediate-range ballistic missiles by 2018, and provide an early intercept capability against missiles of all range classes by the end of this decade.

During the past year, we achieved many accomplishments, including the first two-stage ground-based interceptor, or GBI, flight test, the third missile intercept by the Japanese aegis program, the lowest altitude intercept by the terminal high altitude area defense, or THAAD, system, the destruction of two boosting ballistic missiles with our Airborne Laser Testbed, the collection of the most accurate missile tracks in history by our Space Tracking and Surveillance System satellites, and a successful intercept by Israel's Arrow 2 missile. We also delivered 25 SM-3 1A interceptors, began THAAD interceptor production, emplaced the 30th GBI, and completed the upgrade of the early warning radar in Thule, Greenland.

Last year our aggressive test program also identified an issue with the latest version of the GBI's exo-atmospheric kill vehicle, or EKV. It's MDA's top priority to verify the resolution of the problem by conducting extensive ground testing this summer, conducting a non-intercept test with an upgraded EKV and repeating the previous failed intercept test in 2012. We suspended EKV—the resolution of the GMD test failure is dependent upon technical progress, not funding.

We suspended the EKV production and applied funding to rapidly initiate activities to correct the EKV problem. Thus, our proposed fiscal year 2012 GMD program today differs from the one we proposed in the President's budget request that we developed prior to the latest GMD flight test failure. We are still requesting \$1.16 billion for fiscal year 2012 to recover from the GBI flight test failure and continue to enhance the defense of our homeland by completing Missile Field 2 at Fort Greely, Alaska, in 2012, beginning the procurement of five new GBIs, upgrading the early warning radar in Clear, Alaska, and initiating the installation of a GBI communications system on the east coast of the United States.

Today 30 operational GBIs protect the United States against a limited ICBM attack if current regional threats successfully develop an ICBM capability. We continually monitor intelligence as-

assessments, and to address the possibility that our current GMD capability is determined to be insufficient in the future we are developing options to increase the number of operational GBIs and accelerate the delivery of new sensor and interceptor capabilities.

The Department is committed to bringing to Congress soon our strategy to hedge against uncertainties in the threat estimates. But, given the two GBI flight test failures, the need for a new non-intercept flight test, and the repeat of the last flight test, we will assess the total procurement quantity of the additional GBIs as part of the 2013 President's budget request.

We also are on schedule to execute our phased adaptive approach, or PAA, for regional defense. For phase 1, our first aegis ballistic missile ship deployment, the USS *Monterey*, is on station today. The latest command and control system upgrades are being installed in the European Command and the AN/TPY-2 forward-based radar is on track for deployment in southern Europe by the end of this year.

Of note, a critical European PAA phase 1 milestone was achieved in March of this year when an intermediate range ballistic missile target was intercepted in the Pacific using the phase 1 aegis AN/TPY-2 radar and the European Command's command and control system, architecture, and configuration.

For phase 2, we will conduct the first flight test of the next generation aegis interceptor, the SM-1 1B, this summer. Additionally, the design of the aegis Ashore system began last summer. The test site will be installed in Hawaii in 2013 and flight testing will begin in 2014. Furthermore, the Romanian Government recently announced the site of the aegis Ashore system that will be operational in 2015.

For phase 3, the SM-3 block 2A interceptor has completed 57 of its 60 preliminary design reviews and is on track to support flight testing in 2015 and deployment in 2018.

Key to achieving cost-effective assured missile defense and to enable early intercepts of ballistic missiles is the development of the Precision Tracking Space System, or PTSS, and AirBorne InfraRed, or ABIR, missile sensor capabilities. PTSS will provide three to six times the simultaneous tracking capability at a small fraction of the high operations cost of an AN/TPY-2 or ABIR air combat patrol, and the PTSS does not require host nation basing or overflight approvals of other countries for deployment.

Additionally, to optimize the integration of the PTSS with all contracted activities developing our ballistic missile defense system, we are using federally funded research and development centers to lead an industry-government team to develop a non-proprietary design to enable full and open competition for the production of PTSS satellites.

For phase 4, we competitively awarded the design concept contracts for the SM-3 2B interceptor to three industry teams on a time line consistent with the average development of missile interceptors, to ensure the lowest risk delivery of an early intercept capability. While not necessary for the defense of the United States against limited attacks by early generation ICBMs, the SM-3 2B will augment the GMD system to significantly increase the cost effectiveness of homeland and regional missile defense.

Beyond PAA phase 4, we are pursuing advanced technologies, including very efficient, lightweight, high energy laser systems.

Finally, MDA continues to collaborate with over 20 countries and NATO in international missile defense projects and cooperative activities.

PREPARED STATEMENT

In conclusion, our requested fiscal year 2012 budget funds the development and deployment of missile defense capabilities that are adaptable, survivable, cost-effective, and tolerant of uncertainties in intelligence estimates of both nation-state and extremist ballistic missile threats.

Thank you, Mr. Chairman. I look forward to answering the subcommittee's questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL PATRICK J. O'REILLY

Good morning, Chairman Inouye, Ranking Member Cochran, other distinguished Members of the subcommittee. I thank you for the opportunity to testify today on the Missile Defense Agency's (MDA) \$8.6 billion fiscal year 2012 budget request to develop protection for our Nation, our Armed Forces, allies, and friends against a growing threat—the proliferation of increasingly capable ballistic missiles of all ranges. We continue to test and improve the reliability and performance of our homeland and regional missile defenses to defeat a growing variety of ballistic missiles over the next decade while posturing our Nation to respond to the uncertainties in estimates of future missile threats. By the end of fiscal year 2012, we will complete the initial fielding of the Ground-based Midcourse Defense (GMD) system for homeland defense against first generation Intercontinental Ballistic Missiles (ICBMs) potentially being developed by current regional threat actors. We will also continue our initial fielding of regional defenses against today's short-range (1,000 km or less), medium-range (1,000 to 3,000 km), and intermediate-range ballistic missiles (3,000 to 5,500 km), or SRBMs, MRBMs and IRBMs, respectively.

FISCAL YEAR 2010 ACCOMPLISHMENT HIGHLIGHTS

During this past year, we have improved our homeland defense by emplacing the 30th Ground Based Interceptor (GBI), upgrading two additional GBIs, installing a training node at Fort Greely, Alaska (FGA), and completing a significant upgrade of the Early Warning Radar in Thule, Greenland. Additionally, we had a successful two-stage Ground Based Interceptor (GBI) booster test and conducted a three-stage GBI intercept test where we did not achieve our primary objective, but we did demonstrate integrated sensors and command, control, battle management, and communication (C²BMC) during the longest range flight test to date. In fiscal year 2010, we also improved our regional defenses by converting two Aegis BMD ships, delivering 25 SM-3 IA interceptors, and increasing the Aegis BMD fleet to 20 operationally configured BMD ships. Aegis BMD ships carrying SM-3 IA interceptors are currently deployed and on-station in forward operating areas, including the USS *Monterey* as part of the first phase of the European Phased Adaptive Approach (EPAA). We also commenced production of Terminal High Altitude Area Defense (THAAD) Batteries 3 and 4 and the associated interceptors. We accelerated the refurbishment of an AN/TPY-2 radar for phase 1 of the EPAA and installed a C²BMC system and prepared a second AN/TPY-2 for deployment to U.S. Central Command. Moreover, we successfully flew 14 target missions, including a successful intercept of a separating MRBM with our Japanese allies using an SM-3 IA interceptor (thus completing the first BMD Foreign Military Sales (FMS) case), and conducted a successful intercept of a unitary SRBM with THAAD. For future capabilities, we demonstrated the ability of the two Space Tracking and Surveillance System (STSS) satellites to provide stereo, high-fidelity tracking capabilities and transfer tracks into C²BMC. Our Airborne Laser Test Bed successfully destroyed two boosting ballistic missiles. We achieved our goal of demonstrating NATO Active Layered Theater Ballistic Missile Defense interoperability with the U.S. C²BMC in Joint Project Optic Windmill. Finally, we completed United States and Israeli Government project agreements on the Arrow 3 Upper Tier Interceptor, the David's Sling Weapon Sys-

tem, and an Israeli Test Bed. Recently, we supported Israel's successful intercept mission of a separating threat missile off the coast of California.

ENHANCING HOMELAND DEFENSE

MDA's top priority is to confirm the root cause of the most recent GBI flight test failure, verify the resolution of the problem, and successfully execute the previous flight test. The Failure Review Board (FRB) has identified the most likely cause, but more ground testing this summer and an additional non-intercept flight test in fiscal year 2012 of an upgraded GBI Exo-atmospheric Kill Vehicle (EKV) will be required before the next intercept in late 2012. We suspended production of the latest version of the EKV until the required design modifications are completed and verified, and we diverted fiscal year 2011 GMD funding to expedite these modifications. Until we can resolve this technical issue, advancement of our GMD capability is primarily limited by technical progress, not funding.

Initiation of activities to quickly recover from the GMD flight test failure caused us to revise our proposed fiscal year 2012 GMD schedule of work after we developed the current fiscal year 2012 President's budget request. By deferring lower priority fiscal year 2011 activities not associated with the flight test failure resolution, we were able to rapidly begin our resolution of the GMD flight test issues; however, we still need the requested \$1.16 billion for fiscal year 2012 to complete the test failure resolution and the initial fielding of the defense of our homeland against limited ICBM attacks, including the completion of the hardened power plant and Missile Field 2 at Fort Greely Alaska. During the suspension of EKV production, we will accelerate the refurbishment of the existing GBI fleet, and also begin acquiring material needed to produce new GBIs to meet our minimum requirement of 26 operational GBIs at FGA, 4 at Vandenberg Air Force Base (VAFB), California, and 22 GBIs for testing, stockpile reliability testing, and spares. Given the two flight test failures, the need for a new non-intercept flight, and a repeat of the last flight test, we will assess the procurement quantity of additional GBIs as part of the fiscal year 2013 President's budget request after we have confirmation that we have resolved the EKV issue. As a hedge against uncertainties in ICBM threat estimates, we will place Missile Field 1 in a storage mode for possible upgrade for operational use in the future. Additionally, we will complete the construction of a second fire control node at FGA to allow testing or exercises to be conducted while simultaneously controlling the operational system. We will also begin the planning, design and environment work for a GBI In-Flight Interceptor Communication System (IFCS) Data Terminal (IDT) on the east coast of the United States by 2015. This East Coast IDT will enable communication with GBIs launched from FGA and VAFB on longer flights, thus improving the defense of the eastern United States against potential ICBM threats from the Middle East. Finally, we are requesting \$177.1 million in RDT&E funding for the Sea-Based X-band (SBX) radar in fiscal year 2012, which includes software upgrades to improve its discrimination capability.

In addition to GMD upgrades, we are requesting \$222.4 million in fiscal year 2012 for BMDS Sensors for homeland defense, including support of the Upgraded Early Warning Radars (UEWRs) and AN/TPY-2 radars. Integration of the Thule, Greenland radar in fiscal year 2012 will make it a fully operational UEWR in the BMDS. We will begin upgrade of the Clear Early Warning Radar in Alaska for full missile defense capability by 2016. In addition, a forward-based AN/TPY-2 X-band radar will be deployed to southern Europe to provide early tracking for both enhanced homeland and regional defense. We will continue to upgrade system software to address new and evolving threats, including enhancing Exo-atmospheric Kill Vehicle discrimination algorithms by 2015, improving GBI avionics, and increasing GBI interoperability with the Command and Control, Battle Management and Communications (C²BMC) system.

After last year's successful initial flight of a two-stage GBI, we plan to conduct an intercept flight test with a two-stage GBI as a potential hedge to allow for a longer intercept window of time if ICBMs were launched against the United States from Northeast Asia or the Middle East. However, as a consequence of the need to repeat the failed three-stage GBI flight tests, we plan to delay the first intercept test of the two-stage GBI from fiscal year 2012 to fiscal year 2014. Finally, we will continue development of the Standard Missile 3 (SM-3) IIB to complement the GMD system's protection of our homeland in the future by adding an additional layer of ICBM defense, which will provide an early intercept capability against first generation ICBMs within the regions from which they were launched.

HEDGE FOR PROTECTION OF THE UNITED STATES

Today, 30 operational GBIs protect the United States against a medium ICBM raid size launched from current regional threats. If this capability is determined to be insufficient for protection of the U.S. homeland based on intelligence estimations of future threats, we have options to increase the number of operational GBIs and accelerate the delivery of new sensor and interceptor capabilities. The Department is committed to brief Congress soon on the results of our ongoing BMD analysis and our recommended hedge strategy.

ENHANCING REGIONAL DEFENSE

We are also currently deploying our initial missile defense capability against SRBMs, MRBMs, and IRBMs. Over the next decade, we are enhancing this initial capability by developing increasingly capable missile defenses that can be adapted to the unique circumstances of each Combatant Command region. In regions where ballistic missile threats are a concern, the United States will tailor Missile Defense Phased Adaptive Approaches (PAAs) (like the European PAA, or EPAA) to plan the establishment of command and control, sensor, fire control, and interceptor infrastructures to provide fundamental defenses and facilitate the effective surge of transportable missile defense assets to their regions when needed.

The EPAA focuses on addressing missile defense interoperability with NATO and our allies and partners as the threat from the Middle East is anticipated to increase over the next decade. In November 2010, NATO Heads of State and Government agreed to develop an Alliance territorial missile defense capability to “provide full coverage and protection for all NATO European populations, territory and forces against the increasing threats posed by the proliferation of ballistic missiles.” The United States has committed to provide the EPAA as a national contribution to this capability, built on the Active Layered Theater Ballistic Missile Defense (ALTBMD) command and control system, and we are encouraging our allies to field and provide national capabilities as well.

Phase 1: Initial SRBM, MRBM, and IRBM Defense in Europe—to be completed by the end of 2011.—In this phase, our goal is to achieve an initial missile defense capability in Europe using the Aegis BMD 3.6.1 weapon system with SM-3 IA interceptors, forward-based AN/TPY-2 and SPY-1 radars, and the C²BMC system at Ramstein Air Force Base, Germany, which will improve connections to NATO command and control structures. The USS *Monterey* is at sea today and, when paired with the AN/TPY-2 radar, will provide initial BMD protection of southern Europe from existing SRBM, MRBM and IRBM threats. While no decision on the location of the radar has been made, we expect to meet our 2011 deployment timeline. Additionally, THAAD batteries will be available for deployment in this and subsequent phases. The Army activated a second THAAD battery in October 2009, which is scheduled to complete training by the end of calendar year 2011. We are requesting \$290.5 million in RDT&E funding to enhance communications and enable THAAD’s launch-on-sensor network capability, which will allow THAAD to intercept threat missiles tracked by many different missile defense sensors. We also request \$833.2 million for the production of 63 THAAD interceptors, six launchers, and one Tactical Station Group to be delivered by fiscal year 2014, and \$380.2 million for the production of two AN/TPY-2 radars. A critical EPAA phase 1 milestone was achieved in March 2011 when an IRBM range target was intercepted in the Pacific by a SM-3 IA interceptor using the current Aegis fire control system and the EPAA forward based AN/TPY-2 and Command and Control architecture. Additionally, we will conduct two critical ground tests this year to demonstrate the EPAA Phase 1 capability for defending European allies and deployed forces from multiple and simultaneous SRBM and MRBM threats.

Phase 2: Enhanced MRBM Defense in Europe by 2015.—Our goal in this phase is to provide a robust capability against SRBMs and MRBMs by launching several different interceptors to engage each threat missile multiple times in its flight. This architecture includes the deployment of the Aegis BMD 4.0.1/5.0 weapon fire control systems with SM-3 IB interceptors at sea and at an Aegis Ashore site at Deveselu Airbase in Romania. When compared to the current SM-3 IA, the IB will have an improved two-color seeker for greater ability to discriminate threat Reentry Vehicles from other objects, and it will have improvements to enhance reliability and producibility of the SM-3 IB’s divert and attitude control system. These improvements also provide greater capability against larger sized raids. Later this summer, we will demonstrate Aegis BMD 4.0.1 fire control and the first flight test of the SM-3 IB interceptor. We are requesting \$565.4 million for the production of 46 SM-3 Block IB interceptors to be delivered by fiscal year 2014 and \$960 million for Aegis BMD to fund continued development and testing of the SM-3 IB as well as up-

grades to Aegis 5.0 fire control software to support the operation of the SM-3 IB and IIA interceptors and associated flight tests. In fiscal year 2012, we are requesting \$306.6 million to begin acquiring Aegis Ashore Missile Defense Systems (land-based SM-3) batteries—one for testing at the Pacific Missile Range Facility (PMRF), and one for deployment in Romania by fiscal year 2015. We request \$364.1 million for the C²BMC program for continued development of software and engineering to incorporate enhanced C²BMC capability into the C²BMC battle management architecture and enable interoperability among the BMDS elements, incorporate boost phase tracking, and improve system-level correlation and tracking.

Phase 3: Enhanced IRBM Defenses in Europe by 2018.—Key to achieving more cost-effective missile defense, expanding the engagement range of our interceptors, improving discrimination and enabling early intercepts of ballistic missiles is our phase 3 sensor strategy. This strategy is based on complementing our forward based AN/TPY-2 radars with the development and deployment of the Precision Tracking Space System (PTSS) satellites, enhanced Airborne Infrared (ABIR) capability, and the algorithms to rapidly fuse all our data sources to provide the most precise tracking for the GMD, Aegis BMD, and THAAD fire control systems. The PTSS is the principal capability in this sensor strategy as, unlike AN/TPY-2 and aircraft that require host nation and over flight permissions respectively, the PTSS will provide assured, persistent capability to detect and track large raid sizes of hostile ballistic missiles over their entire flight in the Northern Hemisphere and enable earlier engagements to improve both homeland and regional defense. In sum PTSS provides three to six times the simultaneous tracking capability of the AN/TPY-2 radars or ABIR Combat Air Patrols at a smaller percentage of the operations and support costs. Furthermore, to maximize competition and integration of the PTSS into all elements of the BMDS, we are executing an acquisition strategy in which Government federally Funded Research and Development Centers (FFRDCs) develop non-proprietary preliminary designs and government owned intellectual property, which will be used to enable full and open competition for the production of the satellite constellation while we are validating the performance of prototype satellites on orbit. Recent flight tests using the Space Tracking and Surveillance System (STSS) demonstrator satellites on orbit today have repeatedly shown the significant improvement in our ability to acquire and track ballistic missiles.

In concert with the Phase 3 sensor architecture, the SM-3 Block IIA interceptor is being co-developed with the Japanese Government to nearly double the range of our SM-3 interceptors. The SM-3 IIA project is on schedule to be deployed at the Aegis Ashore site in Romania and at an additional Aegis Ashore site in Poland, and at sea, in 2018. The fiscal year 2012 request for SM-3 Block IIA co-development is \$424.5 million. Additional BMDS improvements during this phase include expanded coordination of missile defense fire control systems and improvements to radar discrimination.

Phase 4: Early Intercept Defense in Europe by 2020.—Based on the enhanced early tracking capability of the PTSS and ABIR systems, the SM-3 IIB will provide an early intercept (pre-apogee) capability against MRBMs and IRBMs and provide an additional layer for a more enhanced homeland defense against ICBMs launched from today's regional threats. In fiscal year 2012, we are requesting \$123.5 million to fund three industry teams to continue concept analysis and development of the SM-3 IIB design while MDA develops relevant advanced propulsion and lightweight material technologies. Advanced discrimination technologies also will be deployed during EPAA Phase 4 including GMD's use of fused data from the entire network of BMDS sensors (including enhancements from PTSS and ABIR sensor capabilities) to improve homeland defense.

PROVING MISSILE DEFENSE WORKS THROUGH ENHANCED TESTING

In fiscal year 2012, we are requesting nearly \$1 billion of RDT&E funding for Testing and Targets. In collaboration with the Director, Operational Test and Evaluation (DOT&E) and the Operational Test Agencies (OTAs), MDA updated its Integrated Master Test Plan (IMTP). The updated test plan (version 11.1), consisting of 53 flight tests and 74 ground tests from fiscal year 2011 through fiscal year 2016, cost-effectively conducts increasingly complex flight tests to achieve more objectives and enhance the realism of each test.

We will hold a series of system-level operational flight and ground tests to demonstrate the initial capability against SRBMs and MRBMs for theater/regional defense as well as planning in fiscal year 2012 the first entirely operational test of the defense of the homeland by 2015. Each operational test will be conducted as realistically as possible and involve multiple targets of different ranges. These tests are being planned and will be executed in concert with the BMDS Operational Test

Agencies and under the oversight of the Department of Defense Director for Operational Test & Evaluation. The BMD system under test will be operated by the soldiers, sailors, and airmen assigned to their respective missile defense equipment and placed under realistic wartime conditions to truly document the capabilities and limitations of the system. Finally, in fiscal year 2011, THAAD will execute a near-simultaneous engagement of an MRBM and SRBM.

DEVELOPING NEW CAPABILITIES

After completing all of their original on-orbit testing in 2010, we continue to operate the two STSS demonstration satellites to conduct cooperative tests with other BMDS elements and demonstrate the capability of STSS satellites against targets of opportunity. These tests demonstrate the ability of space sensors to provide high precision, real-time, tracking of missiles and midcourse objects that enable the fire control solutions BMDS interceptors. Two recent flight tests demonstrated that STSS dramatically improved the precision of threat missile tracks and provided more accurate fire control quality data to the Aegis ships several minutes earlier than less accurate data provided by organic radars in the Aegis or THAAD systems. We are requesting \$96.4 million for the STSS system in fiscal year 2012 and are planning for an Aegis intercept in fiscal year 2013 using the STSS data. Lessons learned from the two STSS demonstration satellites inform PTSS development decisions. We are requesting \$160.8 million for PTSS in fiscal year 2012. The PTSS, a new program, will use simple designs and mature technologies to provide persistent classification and tracking capability of enemy ballistic missiles for areas of the globe that have ballistic missile activity. PTSS project scope includes the delivery of ground segments and the launch of the first two PTSS spacecraft in fiscal year 2017.

In fiscal year 2012, we are requesting \$46.9 million for the Airborne Infrared (ABIR) program. The ABIR program will provide a capability to track large ballistic missile raids with an airborne forward-based sensor, decreasing the time between the enemy's launch of the first ballistic missile and the first launch of a ballistic missile interceptor. Initially, we will integrate an advanced sensor from the Multi-spectral Targeting System family of infrared sensors onto an MQ-9 Reaper Remotely Piloted Vehicle to prove that we can enable Aegis fire control solutions with forward-based airborne assets. In fiscal year 2012, using platforms and operators supplied by the Air Force, and working closely with the Navy, we propose to continue to demonstrate sensor performance and the ability to provide timely and accurate ballistic missile tracking. Our objective is to integrate the ABIR sensor into a pod that can be attached universally to the wing of a variety of aircraft. Additionally, in fiscal year 2012 we are enhancing our command and control capability to handle larger threat missile raid sizes and leverage airborne and space sensor missile tracking data networks. We will continue our development and testing of a multi-sensor application (ABIR and space sensors) tasking and signal processing capability that will provide data with sufficient quality to enable Aegis, THAAD, and GMD fire control solutions for launching interceptors.

In fiscal year 2012, we are requesting \$96.3 million for Directed Energy Research (\$92.6 million for Airborne Laser Test Bed). Following the successful shoot downs of liquid-fueled and solid-fueled boosting ballistic missile targets with an airborne laser in fiscal year 2010, the Assistant Secretary for Defense Research and Engineering designated the Airborne Laser Test Bed (ALTB) as a science and technology test bed for high power laser research and development. In fiscal year 2012, we are teaming with the Air Force's Research Laboratory to use the ALTB for testing advanced directed energy technologies and conducting beam propagation and lethality testing. A primary objective of our directed energy program is to continue our partnership with Lawrence Livermore National Laboratory to develop Diode Pumped Alkaline-gas Laser System (DPALS) technology, which offers great potential for high efficiency, electrically driven, compact, and lightweight high energy lasers for a wide variety of missions of interest to MDA and the Department of Defense.

INTERNATIONAL COOPERATION

As stated in the 2010 Ballistic Missile Defense Review (BMDR), developing international missile defense capacity is a key aspect of our strategy to counter ballistic missile proliferation. In Europe, we remain committed to working with our NATO allies to make NATO lower layer missile defense assets interoperable with U.S. upper-tier missile defense assets deployed under the EPAA through NATO's territorial missile defense capability. In East Asia, we are improving missile defenses through bilateral relationships. And in the Middle East, we continue to work with long-term partners and pursue strengthened cooperation with other countries that

have expressed interest in missile defense. MDA is currently engaged in missile defense projects, studies and analyses with over 20 countries, including Australia, the Czech Republic, Denmark, France, Germany, Israel, Japan, Kuwait, NATO, Poland, Romania, Saudi Arabia, South Korea, the United Arab Emirates, and the United Kingdom.

MDA continues its close partnership with Japan on the SM-3 IIA interceptor (Japan is leading the development efforts on the SM-3 IIA second and third stage rocket motors and the nosecone), studying future architectures, and supporting that Nation's SM-3 IA flight test program. We also continue collaboration with Israel on the development and employment of several missile defense capabilities that are interoperable with the U.S. BMDS. In February of this year, at a U.S. test range off the coast of California, the Arrow Weapon System successfully intercepted a target representative of potential ballistic missile threats facing Israel today. We are requesting \$106.1 million for Israeli Cooperative Programs (including Arrow System Improvement and the David's Sling Weapon System) in fiscal year 2012. We are working with our partners from the United Arab Emirates on the development of a Foreign Military Sales (FMS) case for the THAAD system that would represent the first sale of this capability.

Additionally, MDA is actively engaged with the Russian Federation through three missile defense working groups led by the State Department, Office of the Secretary of Defense, and the Joint Staff. We are optimistic from the outcomes of both the NATO Russia Council meeting at Lisbon and the U.S. bilateral working groups that we will make meaningful progress this year in defining how we will cooperate with the Russian Federation on missile defense, including considering leveraging the combined early warning and surveillance radars of both countries.

CONCLUSION

Our fiscal year 2012 budget funds completing the initial deployment of SRBM, MRBM, IRBM, and ICBM defenses while meeting the warfighters' near-term missile defense development priorities. In parallel, we are developing enabling capability to create an enhanced, international network of integrated BMD capabilities that is flexible, survivable, cost-effective, and tolerant of uncertainties of estimates of both nation-state and extremist ballistic missile threats.

Thank you, Mr. Chairman. I look forward to answering the committee's questions.

GROUND-BASED MIDCOURSE DEFENSE SYSTEM

Chairman INOUE. Thank you very much, General.

I'm happy that you have responded to our concerns rather fully. But are you personally satisfied that you've been able to identify the causes of the failures of the GMD?

General O'REILLY. Yes, Mr. Chairman, I am. The first cause was a quality control problem, because we've had two failures. We have identified and confirmed that we had an error in the assembly process of our new EKV. I should stress that this is a new EKV. The ones we have deployed, most of them out there, have been successfully tested and we've seen no problems with them. But the newest one, the first test did have a quality control problem, which we have corrected.

When we flew the second test last December, again that quality control problem was found to be resolved, but we ran into another problem very late in the flight, in the last few seconds of flight. We have assembled a nationally renowned team of experts that's been working extensively on this. We completed almost all of the ground testing to confirm what the problem was and have identified that problem. We are now in the process of correcting the problem, confirming it on the ground.

But the nature of these types of problems make it very difficult to confirm in ground testing. So that is why I'm proposing to have another flight test added for the GMD system to verify the con-

firmation in space, and then we will proceed on with the intercept test that we've been trying to conduct in the last two flights.

TERMINAL HIGH ALTITUDE AREA DEFENSE

Chairman INOUE. Are you also satisfied with the progress being made on the THAAD?

General O'REILLY. Yes, sir, I am. The THAAD, we have a very extensive test program and the component that was giving us problems was a safety device. So it requires absolute confirmation over an extensive series of tests that in fact it's working properly, and the Army is independently confirming that that component is working properly. And all of our testing has indicated that we have resolved that issue. We have four THAAD missiles delivered today. There are five more in production, and we do believe we are beyond that problem and are reaching a steady production rate on the THAAD program.

Chairman INOUE. Have you resolved the block 1B and 1A problem?

General O'REILLY. Sir, with the block 1A we have had—over time have indicated that in our testing we do reveal shortfalls or concerns. We've corrected each one of them before the previous flight test and the last series of flight tests have shown that we have none of those issues today.

We do have an issue that still allows an intercept to occur, but we want to confirm that it is not a greater problem than that, and we're working that right now. We are still on track for testing.

When we test the 1B later this summer, we actually—most of the 1B is a 1A booster configuration. For the 1B, we did have an issue in—not the operation of the missile, but it was more to do with the shelf life in the environments that a Navy missile will be exposed to. The testing on the ground to date has indicated we have resolved that, but we have a couple more tests in the next 2 months to validate that we will be ready for a flight test in August.

JAPANESE GOVERNMENT

Chairman INOUE. As you noted in your remarks, you're pleased with the partnership you have developed with the Japanese on the development of the MDA. But do you have concerns about the recent earthquake and tsunami? Will that slow down the development?

General O'REILLY. Sir, we are working very closely with the Japanese Government. They have been outstanding partners to work with, meet every commitment, and are very meticulous in their planning, and it's made it very helpful for us to work together in the fashion which we have.

Regarding the tsunami and earthquake, it did not interrupt the operations of our major activity in Nagoya with MHI, Mitsubishi Heavy Industry. Some of their subcontractors were affected. They were not stopped. It slowed down some deliveries. We do not anticipate, nor does the Japanese Government, that this will affect the ultimate delivery of the program.

But in that regard, we do rely outside that program on some of the foundries in Japan that develop our focal plane arrays, and they have been affected by their proximity to their nuclear power-

plant and we are concerned about that and we work closely with them. But that is an ongoing concern of our reliance on only one or two foundries around the world to produce these focal plane arrays that have wide application beyond just missile defense.

Chairman INOUE. General, I have a few more questions, but I'd like to call upon the vice chairman.

Senator COCHRAN. Mr. Chairman, thank you very much.

GROUND-BASED MIDCOURSE DEFENSE SYSTEM

General O'Reilly, I was interested in your response to the chairman's question, questions plural. Let me ask you about the Ground-based Midcourse Defense System. There were two failures last year. Are these of particular concern to you, and if so what are we able to do to overcome those challenges?

General O'REILLY. Sir, they are a concern to me. These are very expensive missiles and our tests are very expensive. The good news is we are aggressively testing these systems, and by "aggressively" I mean we are operating the GBI at the very longest ranges it could ever possibly have to operate and protect the United States.

But from that, we have uncovered a quality control problem. We revised, because of this, both at Raytheon and Boeing and our Defense Contract Management Agency and MDA our inspection processes, and we have shown that we have overcome that issue in changing processes in the plant.

The second problem was of a nature that made it extremely difficult to uncover on the ground because of the sensitivity of the instruments that are on board this system. We needed to be in space. We have uncovered the problem. I believe because we know that we will be able to correct that problem, and so when we need the system in combat we will absolutely have one that we can rely on.

At that, we still have a few more tests to do and, as I said, a couple more flight tests, which will confirm that we have in fact fixed it. I am confident we will.

ARROW 3

Senator COCHRAN. Yesterday we had a very persuasive speech made in a joint session with President Netanyahu of Israel. I was interested in hearing what your reaction is to the fact that Israel is developing and fielding a missile defense system to protect its nation. I wonder if you can give us an update on the status as you understand it of the Arrow 3 and David's Sling programs in Israel and how that fits in with our own missile defense interests?

General O'REILLY. Senator, the Missile Defense Agency is a co-partner to manage both of those programs with the state of Israel. They have demonstrated—what we have established is a program for Arrow 3 that's based on milestones, achieving technical milestones to confirm we have the capability that both they want and we want them to have.

Those milestones are very aggressive, more aggressive than a U.S. program would normally take on. But I understand the risks to their country and why they're being so aggressive. They have successfully achieved those milestones last year, the ones that they were supposed to achieve. As time goes on, those technical milestones get more difficult to achieve. I do anticipate that they will

achieve those milestones. The schedule is the question, and they are having some delays and repeated attempts to accomplish the technical tasks that they have to accomplish on Arrow 3.

But they have shown that they do ultimately achieve the technical capability that they need, and we are closely tracking that with them. So my confidence is very high they will be successful in developing this missile capability. The question we have is the schedule associated with that might be a little longer than what, tracking it the way we do, than what they're currently projecting.

On the David's Sling program, that is an exceptional capability for short and medium-range missiles, and the David's Sling program—also we're working with them. They've had—in their flight tests, they have also uncovered problems, which is the reason we do the flight tests, and they've shown that they're very quick to react to those problems and successfully fly afterwards.

So the David's Sling program is experiencing the type of developmental issues that we all experience in developing new missiles. But again, they've shown their commitment and their technical prowess to overcome those, and we're working closely with them. Again, the question will be not are they going to develop this capability; it's the time line in which they will ultimately have an operational capability.

Thank you, Mr. Chairman.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

GROUND-BASED MIDCOURSE DEFENSE SYSTEM

You've talked about some of this, General O'Reilly, but I'll get back into the GMD. This administration has scaled back planned production and deployments of ground-based interceptors in favor of more research and development into futuristic SM-3 block 2B missiles. You and I both agree that it's necessary to hedge against uncertainty as we seek to develop the block 2B.

Senior defense officials, including yourself, have stated that we need to continue modernizing and testing GBIs in the event that the rogue ICBM threat develops more quickly than expected or that the block 2B development encounters unanticipated technical hurdles. Recent test failures that you've alluded to have called into question the status of the GBI hedge.

I understand that MDA has developed a plan to fix problems with GBI that would cost an additional—getting into a little money here—\$281 million in 2012. Even with full funding of the 2012 GMD budget, this plan would require MDA to delay, I understand, critical development work and to slip an intercept test of the two-stage GBI from 2012 to 2014.

I'm confused in a way here by a recent GAO claim that the GMD budget for 2012 could be cut by as much as \$400 million with no significant impact to the program. Do you agree with GAO's assessment and could you explain to us what the impact of a significant cut in 2012 would be on the GMD program?

General O'REILLY. Senator, I do not agree with the Government Accountability Office (GAO) assessment. If we received a \$400 million cut as they proposed, it would delay our recovery of the program by a minimum of a year. What I don't believe they took into

account is the additional activity that we're doing right now that required reapplying funding from production to fixing the problem.

Senator SHELBY. I assume or I believe that the problem resides in the EKV and not the GBI booster; is that right?

General O'REILLY. That's correct, sir.

GROUND-BASED INTERCEPTOR

Senator SHELBY. Is there any reason to delay funding for procurement of the GBI boosters?

General O'REILLY. Sir, the GBI has no problems with the booster. It has no problems with it. It is a matter of storage and our supply chain management. But I do want to clarify, there are no problems with the GBI booster. We are at a point, though, that we were to be applying those to the EKVs and producing those GBIs, and so we have to manage the rate at which those boosters are produced.

Senator SHELBY. You referenced earlier some quality control in some of the failures perhaps, whatever. In your judgment, is the architecture sound you're dealing with?

General O'REILLY. Yes. Yes, Senator, it is. This work is very precise. When you're hitting a missile at 20,000 miles an hour—and we have shown over and over again we can hit it within inches of a point on an object—it requires extreme precision. But our aerospace industry has shown that they can have the discipline to produce those type of production processes.

There is over 2,000 components in a GBI, and so, as we are seeing, it's very unforgiving if there is a problem.

Senator SHELBY. Very complicated.

General O'REILLY. Yes, sir. But we have shown we can do this. We've adjusted our processes so that we can reliably produce these.

Senator SHELBY. And you—I know the chairman asked you this question, basically. You feel that you have, you and your team, have found some of the flaws in some of your testing, and you're in the process of correcting them; is that correct?

General O'REILLY. That is correct, Senator. We found one flaw and we are aggressively working to resolve it and prove it.

Senator SHELBY. Okay. In your testimony today you outline a plan to conduct previously unplanned-for flight and intercept tests of GBI to ensure that you've solved the problem with the EKV. Do these additional tests mean that you will eventually need to procure more GBIs than currently planned for in the budget? In other words, you planned—with the test thing you're into production in a sense, are you not?

General O'REILLY. Senator, it's my personal assessment—we're still developing the budget, but it is still my personal assessment that when we developed a previous number of GBIs that was 52 we had assessed the need for 4 spares. However, as you just said, in the first year since we've done that we have consumed two in failed flight tests. I've identified the need and proposed for another flight test, and then we have to repeat it.

So my personal assessment is, yes, we need to procure additional GBIs.

Senator SHELBY. You've also stated previously that the threat to U.S. interests from short-range missiles is growing even more rapidly than the ICBM threat at the moment. One of the assets that

we have in seeking to understand and encounter these threats is the Missile and Space Intelligence Center (MISIC) that you work with. Can you talk about here—I don't know if you can—about the kind of intelligence that you get from MISIC and how it contributes to your efforts to design defenses against short-range ballistic missiles? I know some of that is highly classified, but you do have a working relationship there, do you not?

General O'REILLY. Senator Shelby, we have a very strong working relationship. It goes beyond that. It's a dependency on MISIC, with their great resources. You're correct, we can't talk about a lot of it, but I would like to say the accuracy of these short-range missiles and the ease in which they now can be launched is quite disturbing, and MISIC has been very good at identifying that in order to reduce the uncertainty that we're talking about of the threat. And then we can take that through our engineering process and develop missile systems more effectively to counter those threats.

Senator SHELBY. So you have a close working relationship there?

General O'REILLY. Yes, Senator Shelby, yes.

INTEGRATED AIR AND MISSILE DEFENSE BATTLE COMMAND SYSTEM

Senator SHELBY. My last question, if the chairman will indulge me. I understand that the Army has proposed transferring its missile defense budget and program responsibilities to the Missile Defense Agency. Programs such as Patriot and the Integrated Air and Missile Defense Battle Command System, or IBCS, I believe are critical to Army warfighters here. I worry, am concerned at times that the arrangement could dilute Army control over these critical systems or even put their budgets at risk.

Could you explain for the subcommittee the status and the details of this proposal? Will the budget for Patriot and IBCS be protected if MDA controls some or all the funding? Has that crossed your mind?

General O'REILLY. Yes, Senator, it has. The process in which MDA develops its budget is a joint process that the Army is a full partner in. The Army 2 years ago started asking me questions about why does the Missile Defense Agency manage the ballistic missile defense capability of every service except—and THAAD—except the one aspect of the Patriot program, which does have ballistic missile capability?

We have provided a lot of information to the Army and from that the Army has been very positive on a potential transfer, but not this year, in the fiscal year 2013 timeframe, for a change. That is still being deliberated in the Department. A final decision hasn't been made on that.

However, I would—to answer your question, we have very closely coupled budget development processes that have been established by the Deputy Secretary of Defense between MDA and the services, so the Army does review and we actually build our budgets together before we submit them to OSD, and then they're reviewed again by the Joint Chiefs and others to ensure that there is a prioritized budget that matches the Army's needs and the Joint Chiefs' needs.

Senator SHELBY. So you don't believe you would suffer in the management of that if it came about?

General O'REILLY. Senator, no, I don't. And the particular proposal we have made for the Army's case is literally to take their leadership that does currently oversee Patriot; they would become part of the Missile Defense Agency, but still they are—they still have rating responsibilities to the Army, back to the Army and me both.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

MISSILE FIELD

General, welcome. Thank you for the time that you have given me in talking through some of the issues that you have before you.

I'd like to ask just for perhaps a more general description of the plans as they relate to Fort Greely and the intent to place Missile Field 1 into the storage mode, in basically mothball status, as opposed to a decommissioning; and then further, why the launch capabilities at these three missile fields at Fort Greely are necessary to hedge against ICBM threats? So if you can just speak to the mothballing versus decommissioning and then why it's so critical that we continue to have these in place?

General O'REILLY. Yes, Senator. Last year's budget, previous budget, the plan, the proposal was to decommission the missile field, which effectively puts it in a—returns it as much as possible to its pre-construction condition, and it would make it very difficult in the future if we needed to use that missile field again to bring it back into an operational capability.

It was a test missile field, so for example it is not hardened, it doesn't have backup power and other attributes that we would want in an operationally hardened system.

So we have identified in this year's budget that, instead of decommissioning the field, we put it into a storage mode. The cost is \$4 million and then every year it's about \$500,000 to maintain it in that mode. But if it's in that mode, within 2 years we can complete the upgrade of that missile field and bring it back into operation as a potential hedge.

The reason for the hedge is the uncertainty in the intelligence estimates on exactly what is the progress being made for successful development of ICBMs by regional threats today in northeast Asia, such as North Korea, or in the Middle East. And we are closely monitoring those programs, but we need to have capability to expand if we find that the number that we have is insufficient.

That is also the reason why we completed Missile Field 2 in the original design, so that we have 30 operational missiles, but we have 8 spare silos that could be very quickly, in a matter of weeks, made operational with the test GBIs that we are producing for test purposes, that's effectively building a stockpile for us.

So between the additional silos and if it was deemed necessary the ability to bring back Missile Field 1, we do have contingency plans to have a fully operational missile site, as we've laid out, depending on the indications and warnings from our intelligence community.

Senator MURKOWSKI. So essentially the \$4 million that you indicate that it will take to put it into this storage mode allows us a level of flexibility, the option, if you will, if we need to, to reconfigure. We have that ability. If we decommission, we lose that flexibility; we do not have the nimbleness—I don't know if that's a word, but we don't have the ability to turn back as readily and in a manner that hopefully will be a cost savings to us?

General O'REILLY. That is correct.

Senator MURKOWSKI. Let me ask you also—I think most when they look at the ground-based midcourse defense operations Fort Greely, given where Fort Greely sits up in Alaska there, they view this more as a defense for the west coast against any ICBM threats that may be coming from North Korea. But I think we recognize that the system is effective also against missile threats to the east coast by actors that may be out there in the Middle East. But sometimes the geography doesn't allow us to perhaps look that broadly.

As you mention, it helps to look at a globe and figure it out from there, rather than the world of flat maps. But the decision to place an in-flight communications system data terminal on the east coast by 2015, this extends the communication with the ground-based interceptors that may be launched from Greely or from Vandenberg on in-flights, longer flights.

I understand that what this will do is allow for enhanced communications capability to really help bolster that missile defense of the east coast. Can you characterize, General, in perhaps qualitative terms the system's effectiveness against the missile, any missile threats that might be directed to the east coast, and how Alaska's strategic location can contribute to all of this? Just put that out, because we haven't had a lot of discussion about how the east coast and this in-flight communication system data terminal will coordinate or integrate together.

General O'REILLY. Yes, Senator. From a polar view, as you say, from the global view, literally the globe, you will notice that from the East—from the Middle East to the east coast or all of the United States, the most likely trajectories are over the poles or in the northern regions, far northern latitudes.

Therefore, Alaska actually is in a great position in order to launch from there and have a side shot at a missile. Instead of defending the missiles head-on, which is the most difficult way to hit a missile, Alaska gives us the positioning, the geometries, so that we can intercept a missile as it's passing by, which is the highest probability of an intercept.

However, there are great ranges involved in these launches. Due to the great distance of communication between the missile and the fire control center at Alaska or the one in Colorado Springs, we need the ability to talk to the missile late in flight, because so much time goes by as that missile is flying. We're learning about the threat missile while it is in flight, and the more we learn—we want to pass that on to the kill vehicle so that it has as much information as possible before it begins its final maneuvers.

The east coast in-flight data terminal would allow us the opportunity to communicate late in flight, where today we only have those communications sites in Alaska and on the west coast at

Vandenberg. So this is a significant improvement to the capability for intercepts that would occur over the Atlantic or heading toward the southeastern United States especially.

Senator MURKOWSKI. So it really does give us that full umbrella of protection that we talk about when we discuss the advantages of a missile defense system that truly does cover all of the United States?

General O'REILLY. Yes. Today we do have coverage of the United States, but this greatly enhances the probability of intercepts in the first couple interceptors we launch, because we have this opportunity now, or will have this capability, to communicate late in a flight.

Senator MURKOWSKI. Well, I appreciate that, General.

I know that you've spent considerable time in Alaska looking at the operations there at Greely. I appreciate the fact that you're willing to go up in January, when many others would prefer to find warmer climes. But I look forward to the opportunity to visit with you when you perhaps head north when the daylight hours are longer and it's a little bit warmer.

General O'REILLY. Senator, we have a fantastic work force up there.

Senator MURKOWSKI. Yes, we do.

General O'REILLY. And when you're working with them at 50 below zero and you see their dedication and how professional they are, we don't lose a step in that operation. That's where that work-force shines the best, is during those parts of the year, and it's my honor to be up there and observe that and witness that in those extreme environments.

Senator MURKOWSKI. Well, I think your visits help to contribute to good strong morale and commitment to the work as well. So we thank you for that.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

IRON DOME

General O'Reilly, you have assessed what you consider to be the value of the Arrow program and the David's Sling program. Can you tell us about the recent employment, deployment, of the Iron Dome in combat? This was the first time they used this in combat, and apparently they consider that to have been a great success. What is your assessment?

General O'REILLY. Senator, I don't have today and did not have responsibility for the development of Iron Dome. But I have observed their testing and I have been to their plants where they manufacture it, and my assessment is that it has been very successful in intercepting the missiles that are—the short-range, very short-range missiles, that are extremely difficult to hit because of the very short time flight, time of flight.

However, the issue we have or the Israelis face with the Iron Dome is the great number of rockets and short-range missiles that they face. Therefore, in our budget we have a proposal to assist with the procurement for four more batteries. So the system has shown to be effective in developmental testing and in actual com-

bat, or defending their civilian populations. The issue is the great number, the sheer volume of the threat they're facing.

In our budget, I would assist with the procurement of four more batteries, and that is a good capability. But obviously when you look at the threat numbers it shows how daunting a task it is and the need for additional short-range type defense systems.

The Army also faces that problem, the U.S. Army. So this is one that's shared between our country—any of our countries that have deployed forces very close in a combat theater to a potential threat. And this is one which the United States benefits from understanding and studying exactly how they've been successful with the Iron Dome system.

Chairman INOUE. We have spent much time today discussing failures, test failures and delays in production. Does that concern you on the basis of your industrial base?

General O'REILLY. Sir, the challenge we have in this business is that—and I fully support production decisions to be supported by tests. But with the threat and the rate at which the threat continues to evolve and emerge and, even more importantly, the uncertainties associated with exactly what the threat is due to the clandestine activities in which these threat missiles are developed and proliferated, it makes it—we do need to take risks at times to move forward with the supply chain and the production of facilitization so that we can as quickly as possible, once we've completed successful testing, minimize the time between a decision to go to production to actually starting to produce these missiles.

The need for long lead procurements is critical in this so that we can begin purchasing the components that take 2 or 3 years to build before they go into final assembly. That is the approach we're taking with the SM-3 1B. As you stated, Senator, in your opening remarks, we do have technical development issues, which are not unusual for an interceptor at this point.

I believe we have addressed all of them and we have no indication that we will not be successful this summer. However, instead of going to a full—or requesting a full production decision based on one test for the SM-3 1B, we are proposing to make a decision on the procurement of the long lead items in order to keep the industrial base set and ready to go to deliver components that, when we have subsequent tests over the next year with the 1B, we'll have enough data so that the operational test agencies can independently concur that this system is ready to be fielded or go into production.

So we are balancing between the needs, which are urgent, the technical achievement, and making sure that we have a thoroughly tested system before we put it in the field, and we have to balance that with the industrial base and the need to keep the supply chain healthy.

So it is a challenge, sir, and, as I described with the 1B, those are approaches which we're using in order to reduce the risk to all three.

Chairman INOUE. Because of the nature of our responsibilities—we're the Appropriations Committee—we seem to be focusing and concentrating on failures and delays. However, I want the record to show that the subcommittee is very pleased with your leadership

and with the work of your team, because you've had a lot of successes. But in most cases we cannot discuss these successes because of its classification. But I just wanted the record to show that we are pleased.

General O'REILLY. Thank you, Senator. I have a great, great industry-government-FFRDC-academia team across the United States that does this great work. And the Missile Defense Agency, it's my honor to be their leader, but this truly shows the prowess of our country and all of the agencies that are involved that deliver this capability.

Chairman INOUE. I will be submitting further questions, but may I call upon the vice chairman.

Senator COCHRAN. Mr. Chairman, thank you. I'm pleased to join you in commending the distinguished witness, the Director of our Missile Defense Agency, on the excellent job that he has done leading us in this very challenging enterprise and one that is so essential to our national defense capability and the safety and security of American citizens here and around the world. We thank you for your service.

Chairman INOUE. Thank you.

Senator Shelby.

Senator SHELBY. Mr. Chairman, I just want to associate myself with your remarks here. I think this has been a good hearing. I appreciate General O'Reilly's candor with us. I know, as you alluded to and I did earlier, there's a lot of this program that's highly classified and we have to get into it in another meeting. But I like the idea for the moment that the General feels good about the architecture, which is very important, the scheme that you lay out, and feels good about correcting some of the problems that he's recognized, and he's got an excellent team to deal with it.

So thank you, Mr. Chairman, for the hearing.

Chairman INOUE. I thank you.

ADDITIONAL COMMITTEE QUESTIONS

Thank you, General, for your testimony today and for your service to our Nation, and we look forward to working with you in the coming months.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY CHAIRMAN DANIEL K. INOUE

PACIFIC MISSILE RANGE FACILITY (PMRF)

Question. General O'Reilly, can you provide the Committee a schedule of THAAD tests that will be conducted at PMRF over the next 5 years?

Answer. THAAD tests planned for the next 5 years at PMRF are listed below:

THAAD FLIGHT TEST SCHEDULE (U)

Flight test (fiscal year 2011–fiscal year 2016)	Description	Date
FTT-12	Initial Operational Test to demonstrate soldiers' ability to plan, deploy, emplace, and operate the THAAD System using approved Tactics, Techniques, and Procedures. Demonstrate THAAD closed-loop operations and engagement functions. Demonstrate the capability to conduct a multiple, simultaneous engagement of two Short-Range Ballistic Missiles (SRBM).	4Q fiscal year 2011
FTT-13	THAAD endo-atmospheric engagement of a separating Medium-Range Ballistic Missile (MRBM) with associated objects.	3Q fiscal year 2012
FTT-11a	THAAD exo-atmospheric engagement of a complex, separating SRBM with associated objects.	3Q fiscal year 2013
FTT-15	THAAD exo-atmospheric engagement of a complex, separating maximum range MRBM using Launch-on Network Track.	3Q fiscal year 2014
FTT-17	THAAD operational engagement of a MRBM with associated objects using Launch-on Network Track.	3Q fiscal year 2016

Based on IMTP v11.1 as approved on February 23, 2011.

Question. What is the current schedule for Aegis Ashore testing at PMRF?

Answer. Aegis Ashore tests currently planned at PMRF are listed below:

AEGIS ASHORE FLIGHT TEST SCHEDULE (U)

Flight test (fiscal year 2011–fiscal year 2018)	Description	Date
Aegis Ashore Controlled Test Vehicle 01 (AA CTV-01).	Aegis Ashore first launch events (total of 2) demonstrating system ability to launch, capture, and control the Standard Missile-3 (SM-3) Block (Blk) IB interceptor.	4Q fiscal year 2013
AAFTM-01 (Event 1)	Aegis Ashore will detect, track, and engage an air-launched Medium-Range Ballistic Missile (MRBM) with the SM-3 Blk IB interceptor.	3Q fiscal year 2014
AAFTM-01 (Event 2)	Aegis Ashore will detect, track, and engage an MRBM with an SM-3 Blk IB interceptor using Integrated Fire Control capability with AN/TPY2 (FB) (common designator for Army Navy/Transportable Radar Surveillance Forward Based).	3Q fiscal year 2014
FTO-02	Demonstrate initial BMDS operational effectiveness against full range of ballistic missile threats with SM-3 Blk IB interceptor.	4Q fiscal year 2015
FTO-03	Demonstrate initial BMDS operational effectiveness against full range of ballistic missile threats with SM-3 Blk IIA interceptor.	4Q fiscal year 2018

Per IMTP v11.1 dated February 23, 2011.

Question. I understand that within a few seconds of an SM-3 missile launch from the test Aegis Ashore facility on PMRF, it must be determined that the missile is moving in the intended direction, and, if not, the missile must be quickly destroyed. For safety considerations, PMRF is likely to require an exceptionally fast capability that can accurately determine missile condition and location, during the first few seconds of launch, something that radar alone may not be able to address. This is a critical requirement for PMRF and for safety considerations in any European country where the Aegis Ashore is deployed, since it will be in proximity to populated areas. Please provide an update on how the Navy and MDA will address this safety concern.

Answer. PMRF requires extra safety considerations during Aegis Ashore/SM-3 testing that will not be required when proven systems are deployed to Host Nations. When Aegis Ashore/SM-3 is tested at PMRF, the range requires two independent data sources to provide SM-3 position and velocity to enable the Flight Safety Officer to make a decision in the first few seconds of flight as to whether the missile is flying a nominal profile. To that end, MDA is funding two independent Early Launch Tracking Radar's which will be installed at PMRF by fiscal year 2013 to support the Aegis Ashore/SM-3. MDA is also funding a Telemetry Link Best Source Selector (BSS) upgrade which will provide fully automated and seamless source selection between the multiple telemetry antennas tracking the same link source from the missile during flight. In addition, MDA is funding modifications to the SM-3

Blk IB flight test configured missile to enable the existing destruct mechanism during the first few seconds after launch. These measures ensure safety at PMRF and allow safe developmental testing of the system to ensure it will perform in a safe manner when fielded in populated areas. When the system is fielded, the extra safety precautions required on the test range are no longer needed as the system has been proven to be reliable based on multiple successful flight tests.

QUESTION SUBMITTED BY SENATOR THAD COCHRAN

NAVAL FORCE STRUCTURE SUPPORT

Question. General O'Reilly, the Navy recently submitted a report outlining some challenges it will face in providing the necessary force structure to support ballistic missile defense. In this report, the Navy admitted that it presently does not have the capacity to meet geographic combatant commanders needs without breaking personnel deployment lengths or dwell time rotations.

Do the Navy's concerns affect how you deploy future phases of the Phased Adaptive Approach, and how is MDA working with the Navy to mitigate these concerns?

Answer. The European Phased Adaptive Approach (EPAA) concept took the Aegis BMD program of record and anticipated availability of Aegis BMD ships into consideration when developed. The Joint Staff and Navy deploy Aegis BMD ships as requested by the Combatant Commanders and adjudicated by the Global Force Management (GFM) process.

The Navy and MDA work collaboratively to combine resources and maximize Aegis BMD capability development for the fleet. In a joint review by the Secretary of the Navy and the Director of the MDA, a Report to Congress was submitted entitled "Additional Requirements for Investment in Aegis Ballistic Missile Defense" dated April 2010. In conducting the analysis for the report, consideration was given to the projected number of surface combatants required to provide Aegis BMD-capable multi-mission ship presence as requested by the geographic Combatant Commanders (CCDRs) and approved by the Secretary of Defense. Navy and MDA have jointly worked a plan for 38 funded surface combatants with Aegis BMD (by fiscal year 2015) which reflects an achievable balance of capacity and capability while sustaining the requisite number of multi-mission Aegis cruisers and destroyers deployed worldwide to meet concurrent surface combatant requirements. The plan is consistent with the Quadrennial Defense Review force-sizing guidance and the Navy's 30 year Shipbuilding Plan.

Navy and MDA are jointly responding to the Combatant Commanders' (COCOM) need for operational Aegis BMD capability in a three phase approach; through BMD upgrades to Aegis ships, Aegis Modernization Program and new construction. Today, MDA and the Navy have upgraded 22 Aegis combatants to conduct ballistic missile defense operations. Sixteen of these ships are assigned to the Pacific Fleet and six ships assigned to the Atlantic Fleet. The Chief of Naval Operations (CNO) has designated Ballistic Missile Defense as a core Navy mission and looks to populate the BMD capability throughout the Aegis Fleet to meet the COCOM demand signal.

SUBCOMMITTEE RECESS

Chairman INOUE. The Defense Subcommittee will reconvene tomorrow, May 26, at 10:30 a.m. for a classified briefing from U.S. Central Command and Africa Command. The subcommittee stands in recess.

[Whereupon, at 11:30 a.m., Wednesday, May 25, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, JUNE 15, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 11 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Feinstein, Mikulski, Kohl, Murray, Cochran, Shelby, Hutchison, Alexander, Collins, Murkowski, and Coats.

DEPARTMENT OF DEFENSE

OFFICE OF THE SECRETARY OF DEFENSE

STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. This morning I'd like to welcome Dr. Robert Gates, Secretary of Defense, and Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, to testify on the administration's budget request for fiscal year 2012.

Gentlemen, it's my pleasure and privilege to welcome you back to your last testimony before this subcommittee, and to thank you for your many years of admirable and dedicated service to our Nation.

You entered your current positions during a tumultuous period for this country, when we were losing ground in both Iraq and Afghanistan, and you agreed to take on what was arguably two of the most difficult jobs in the country. And your leadership not only turned the tide on the ongoing wars, but also maintained the capacity, capability and public appreciation for the United States military. You have served tirelessly, and you have served honorably. This subcommittee and this country are truly thankful to both of you.

I understand that Secretary Gates has to leave by 2:30 today, so, in order to have time for testimony and questions, I will submit my full statement for the record.

And I will now turn to the Vice Chairman, Senator Cochran, for his opening remarks.

[The statement follows:]

PREPARED STATEMENT OF CHAIRMAN DANIEL K. INOUE

Today, I would like to welcome Dr. Robert Gates, the Secretary of Defense and Admiral Mike Mullen, the Chairman of the Joint Chiefs of Staff, to testify on the administration's budget request for fiscal year 2012. Gentlemen, it is my privilege to welcome you back to your last testimony before this subcommittee and to thank you for your many years of admirable and dedicated service to our country.

You both entered your current positions during a tumultuous period for this country when we were losing ground in both Iraq and Afghanistan. You agreed to take on what are arguably two of the most difficult jobs in the country, and your leadership not only turned the tide of the ongoing wars, but also maintained the capacity, capability, and public appreciation for the United States military. You have served tirelessly, and you have served honorably; this subcommittee and this country are truly thankful to both of you.

But, as you know, there is no rest for the weary. Before we say farewell, the subcommittee has more business for you both and many issues to discuss regarding the budget.

The Department's fiscal year 2012 base budget request is \$553 billion, an increase of \$40 billion over last year's enacted base budget. The Department is also requesting \$118 billion for overseas contingency operations for fiscal year 2012.

Secretary Gates, as a part of the fiscal year 2012 budget, you insightfully set a goal for the Department to achieve efficiency savings of \$178 billion over the next 5 years. Since that time, President Obama has challenged the Department to cut an additional \$400 billion over the next 12 years. I'd like to get your perspective of this reduction and your assessment of the impact this reduction will have on military personnel and warfighting capability.

Since submitting the President's budget, many events around the globe have changed. The U.S. military is now engaged in operations over Libya, Osama bin Laden is dead, and longstanding dictatorships namely in the Middle East and Africa are being challenged or have been overthrown in favor of democratic governments. Yet our traditional threats remain and continue to grow while our attention has been focused elsewhere. I'd like to hear your thoughts on future force size, structure, and capability that will be necessary to combat future threats.

Your leadership brought about a significant change in the way the Department buys weapons. You boldly came into the office and challenged the military services, the defense industry, and the Congress to cancel programs you deemed to be exquisite technologies built for a different war than the ones we were fighting.

Although the enemy's tactics and tools constantly changed, you forced the traditionally slow-moving Pentagon bureaucracy to respond swiftly with better capabilities, such as systems to defeat improvised explosive devices and increasing much needed intelligence, surveillance, and reconnaissance assets. I look forward to hearing from you both on other lessons that you have learned from the last 10 years of war on how to improve the Department's acquisition programs.

Gentlemen, we sincerely appreciate your service to our Nation, and the dedication and sacrifices made daily by the men and women of our armed services. We could not be more grateful for what those who wear our Nation's uniform do for our country each and every day.

Your full statements will be included in the record. I now turn to the Vice Chairman, Senator Cochran, for his opening statement.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, it's a pleasure to join you in welcoming these distinguished witnesses to our subcommittee. They have demonstrated through their service—the Secretary of Defense, the Chairman of the Joint Chiefs—a skill, knowledge and dedication they have to keeping our country safe, and to helping protect the security interests of our Nation around the world. That's a big job. That is a huge challenge. And, in my view, they have provided distinguished leadership, for which our Nation is very grateful.

Chairman INOUE. Mr. Secretary.

Secretary GATES. Thank you, Mr. Chairman. And thanks for the kind words.

One correction is—12:30.

And it's in a good cause. I'm meeting with the Director of the Office of Management and Budget (OMB) on the Fiscal year 2012 budget. So, wish me luck.

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to discuss the President's budget request for fiscal year 2012—as noted, my last budget testimony before this, or any other congressional committee ever. And, this time I mean it.

The budget request for the Department of Defense being presented today includes a base budget request of \$553 billion, and an overseas contingency operations request of \$117.8 billion.

My submitted statement includes many more details of this request, but I would like to take this opportunity to address several issues that I know have been a subject of debate and concern in recent weeks and months: First, the planned future reductions in the size of the ground forces; second, the proposed reforms and savings to the TRICARE program for working-age retirees; and, third, the budget and the strategy choices required to meet the savings targets recently laid out by President Obama.

Nearly 4½ years ago, one of my first acts as Defense Secretary was to increase the permanent end strength of our ground forces—the Army by 65,000, for a total of 547,000, and the Marine Corps by 27,000, to 202,000.

At the time, the increase was needed to relieve the severe stress on the force from the Iraq war as the surge was getting underway. To support the later plus-up of troops in Afghanistan, I subsequently authorized a temporary further increase in the Army of some 22,000—an increase always planned to end in 2000—fiscal year 2013. The objective was to reduce stress on the force; limit, and eventually end, the practice of stop-loss; and to increase troops' home station dwell time. This has worked, and I can tell you that those stop-losses in the Army is now over. There are no Army soldiers stop-losses.

As we end the U.S. troop presence in Iraq this year according to our agreement with the Iraqi Government, the overall deployment demands on our force are decreasing significantly. That is why we believe that, beginning in 2015, the United States can, with minimal risk, begin reducing Army active duty end strength by 27,000, and in the Marine Corps by somewhere between 15,000 and 20,000.

These projections assume that the number of troops in Afghanistan will be significantly reduced by the end of 2014, in accordance with the President's and NATO's strategy. If our assumptions prove incorrect, there's plenty of time to adjust the size and schedule of this change.

These reductions are supported by both the Army and Marine Corps leadership. However, I believe no further reductions should be considered without an honest and thorough assessment of the risks involved, to include the missions we may need to shed in the future.

Let me turn to another issue relating to the Department's personnel costs—the proposed reforms to the TRICARE program. As you know, sharply rising healthcare costs are consuming an ever-larger share of this Department's budget, growing from \$19 billion in 2001 to \$52.5 billion in this request. Among other reforms, this fiscal year 2012 budget includes modest increases to TRICARE en-

rollment fees, later indexed to the national health expenditures, for working-age retirees, most of whom are employed while receiving pensions. All six members of the Joint Chiefs of Staff have strongly endorsed these and other cost-saving TRICARE reforms in a letter to the Congress.

Let me be clear. The current TRICARE arrangement—one in which fees have not increased for 15 years—is simply unsustainable, and if allowed to continue, the Department of Defense risks the fate of other corporate and government bureaucracies that were ultimately crippled by personnel costs and, in particular, their retiree benefit packages.

The House approved most of our proposed changes in its version of the fiscal year 2012 authorization bill, and I strongly urge the Senate to endorse all of our proposals.

Which brings me to the third and last point—the difficult budget choices ahead for the Department. Last spring we launched a comprehensive effort to reduce the Department's overhead expenditures. The goal was, and is, to sustain the U.S. military's size and strength over the long term by reinvesting efficiency savings in force structure and other key combat capabilities.

The results of these efforts, frankly, were mixed. While the services leaned forward and found nearly \$100 billion in efficiency savings, efforts to trim overhead costs of DOD components outside the military services were not as successful. I believe there are more savings to be found by culling more overhead, and better accounting for—and, thus, better managing—the funds and people we have.

But one thing is quite clear. The efficiencies efforts the Department has undertaken will not come close to meeting the \$400 billion in savings layed out by the President. To realize the projected savings target will require real cuts, given the escalating costs of so many parts of the defense budget, and, as a result, real choices.

Here I would leave you with a word of caution: We must not repeat the mistakes of the past, where budget targets were met mostly by taking a percentage off the top of everything—the simplest and most politically expedient approach, both inside the Pentagon and outside of it. That kind of salami-slicing approach preserves overhead and maintains force structure on paper, but results in a hollowing out of the force from a lack of proper training, maintenance and equipment, and manpower. And that's what happened in the 1970s—a disastrous period for our military—and, to a lesser extent, during the late 1990s.

That is why I launched the, a comprehensive review to be completed by the end of this summer to ensure that future spending decisions are focused on priorities, strategy and risks, and are not simply a math and accounting exercise. In the end, this process must be about identifying options for the President and for you, the Congress, to ensure that the nation consciously acknowledges and accepts additional risk in exchange for reduced investment in the military.

Above all, if we are to avoid a hollowing effect, this process must address force structure, with the overarching goal to preserve a U.S. military capable of meeting crucial national security priorities—even if fiscal pressure requires reductions in that force's size.

I've said repeatedly I'd rather have a smaller, superbly capable military than a larger, hollow, less capable one. However, we need to be honest with the President, with you, with the American people, and, indeed, with ourselves about what the consequences are. A smaller military, no matter how superb, will be able to go fewer places and be able to do fewer things.

As we embark on this debate about the future size and composition of the American military, it would be well to remember that we still live in a very dangerous and often unstable world. Our military must remain strong and agile enough to face a diverse range of threats—from non-state actors attempting to acquire and use weapons of mass destruction and sophisticated missiles, to the more traditional threats of other states, both building up their conventional forces, and developing new capabilities that target our traditional strategies.

Today, I ask your support for a leaner, more efficient Pentagon and continued sustainable, robust investments in our troops and future capabilities. Our troops have done more than their part. Now it's time for us in Washington to do ours.

In conclusion, I want to thank this subcommittee for all you have done to support our troops as well as their families. From my earliest days as Secretary of Defense, I have made a point of reminding officers—from midshipmen and cadets to admirals and generals—that Congress is a co-equal branch of government that, under the Constitution, raises armies and provides for navies, and now air forces. Members of both parties serving in Congress have long been strong supporters of our military, and are owed candid—honesty and candor from the military, and from the Department.

I've just returned from my 12th, and last, visit to Afghanistan as Secretary of Defense. The progress we have made there since President Obama announced his new strategy has been impressive. The sacrifices our troops are willing to endure to protect this country is nothing short of amazing. And all they ask in return is that the country support them in their efforts through to success.

It has been the greatest privilege of my life to lead this great military for the past 4½ years. Every day, I've considered it my responsibility to get our troops everything they need to be successful in their mission and to come home safely. In my visits to the combat theaters, military hospitals, and in bases and posts at home and around the world, I continue to be amazed by their decency, their resilience, and their courage. Through the support of the Congress and our nation, these young men and women will prevail in the current conflicts, and be prepared to confront the threats that they, their children, and our Nation may face in the future.

PREPARED STATEMENT

Thank you, Mr. Chairman.

Chairman INOUE. Mr. Secretary, I thank you very much.

[The statement follows:]

PREPARED STATEMENT OF ROBERT M. GATES

Mr. Chairman, members of the committee: I appreciate the opportunity to discuss the President's budget request for fiscal year 2012—my last budget testimony before this, or any other, congressional committee.

The budget request for the Department of Defense being presented today includes a base budget request of \$553 billion and an Overseas Contingency Operations request for \$117.8 billion. These budget decisions took place in the context of a nearly 2 year effort by this Department to reduce overhead, cull troubled and excess programs, and rein in personnel and contractor costs—all for the purpose of preserving the fighting strength of America’s military at a time of fiscal stress for our country. The goal was not only to generate savings that could be applied to new capabilities and programs, but for our defense institutions to become more agile and effective organizations as a result.

In all, these budget requests, if enacted by the Congress, will: Continue our efforts to reform the way the department does business; fund modernization programs needed to prepare for future conflicts; reaffirm and strengthen the Nation’s commitment to care for the all-volunteer force; and ensure that our troops and commanders on the front lines have the resources and support they need to accomplish their mission.

REFORM—EFFICIENCIES

The fiscal year 2012 budget decisions took place in the context of a nearly 2 year effort by the Department of Defense to reform the way the Pentagon does business—to change how and what we buy, to replace a culture of endless money with one of savings and restraint. To not only make every defense dollar count, but also become a more agile and effective organization in the process. This process culminated in my announcement in January that summarized the impact of these reforms on the fiscal year 2012 budget.

The military services conducted a thorough scrub of their bureaucratic structures, business practices, modernization programs, civilian and military personnel levels, and associated overhead costs. They identified potential savings that totaled approximately \$100 billion over 5 years. More than \$70 billion is being reinvested in high priority needs and capabilities, while about \$28 billion is going to higher than expected operating costs—“must pay” bills that would otherwise be paid from investment accounts.

We then looked at reducing costs and deriving savings across the department as a whole—with special attention to the substantial headquarters and support bureaucracies outside the four military services—savings that added up to \$78 billion over 5 years.

Ten billion dollars of that total came from restructuring the Joint Strike Fighter program and reducing Army and Marine Corps end strength starting in fiscal year 2015.

The rest of the DOD-wide savings came primarily from shedding excess overhead, improving business practices, and reducing personnel costs. Key examples include:

- \$13 billion from holding the civilian workforce at fiscal year 2010 levels for 3 years, with limited exceptions such as growth in the acquisition workforce;
- \$12 billion through the governmentwide freeze on civilian salaries;
- \$8 billion by reforming military health programs to maintain high quality care while slowing cost growth;
- \$11 billion from resetting missions, priorities, functions for the defense agencies and the Office of the Secretary of Defense;
- \$6 billion by reducing staff augmentation and service support contracts by 10 percent annually for 3 years;
- \$2.3 billion by disestablishing Joint Forces Command and the Business Transformation Agency;
- \$1 billion by eliminating unnecessary studies and internal reports;
- \$4 billion in changed economic assumptions, such as a lower than expected inflation rate;
- \$100 million by reducing more than 100 flag officer and about 200 civilian senior executive positions; and
- \$11 billion in a variety of smaller initiatives across the department.

To better track how and where taxpayer dollars are spent, the department is also reforming its financial management systems and practices—with the goal of having auditable financial statements by the congressionally mandated date of 2017. We are pursuing a streamlined approach that focuses first on the information we most use to manage the department.

CHOICES AHEAD

I believe there are more savings possible by culling more overhead and better accounting for, and thus better managing, the funds and people we have. But one thing is quite clear. These efficiencies efforts will not come close to meeting the

budget targets laid out by the President, much less other, higher targets being bandied about.

Nonetheless, meeting this savings target will require real cuts—given the escalating costs of so many parts of the defense budget—and, as a result, real choices. That is why I launched a comprehensive review last month to ensure that future spending decisions are focused on priorities, strategy and risks, and are not simply a math and accounting exercise. In the end, this process must be about identifying options for the President and the Congress, to ensure that the Nation consciously acknowledges and accepts additional risk in exchange for reduced investment in its military.

As we embark on this debate about the future size and composition of the American military, it would be well to remember that we still live in a very dangerous and often unstable world. Our military must remain strong and agile enough to face a diverse range of threats—from non-state actors attempting to acquire and use weapons of mass destruction and sophisticated missiles, to the more traditional threats of other states both building up their conventional forces and developing new capabilities that target our traditional strengths.

FISCAL YEAR 2012 BASE BUDGET REQUEST

The President's request for the base defense budget is for \$553 billion, which represents about 3.5 percent real growth over the fiscal year 2011 defense bill enacted by Congress this year. The four major components are: \$207.1 billion for operations, maintenance, logistics, and training; \$142.8 billion for military pay and benefits; \$188.3 billion for modernization; and \$14.8 billion for military construction and family housing.

MODERNIZATION

In all, the fiscal year 2012 budget request includes \$188.3 billion for modernization in the form of Procurement, Research, Development, Testing and Evaluation. Key modernization initiatives include:

- \$4.8 billion to enhance ISR capabilities and buy more high demand assets, including the MC-12 surveillance aircraft, Predator, Reaper, and Global Hawk UAVs—with the aim of achieving 65 *Predator*-class Combat Air Patrols by the end of fiscal year 2013;
- More than \$10 billion to modernize our heavily used rotary wing fleet;
- \$3.9 billion to upgrade the Army's combat vehicles and communications systems;
- \$4.8 billion to buy new equipment for the reserves;
- \$14.9 billion to buy new fighters and ground attack aircraft;
- \$24.6 billion to support a realistic, executable shipbuilding and investment portfolio that buys 11 ships in fiscal year 2012 and modernizes existing fleet assets;
- \$10.5 billion to advance the modernization portion of the administration's approach to ballistic missile defense—including \$8.4 billion for the Missile Defense Agency; and
- \$2.3 billion to improve the military's cyber capabilities.

Questions have been raised about whether we are too focused on current conflicts and are devoting too few resources to future possible high-end conflicts. This budget should put those questions to rest. The fiscal year 2012 base request provides for significant investments at the high end of the conflict spectrum, including:

- \$1 billion (\$4.5 billion over the Future Years Defense Program (FYDP)) for a tactical air modernization program that would ensure that the F-22 will continue to be the world's preeminent air-to-air fighter. This effort will leverage radar and electronic protection technologies from the JSF program;
- \$204 million (\$1.6 billion over the FYDP) to modernize the radars of F-15s to keep this key fighter viable well into the future;
- \$30 million (\$491 million over the FYDP) for a follow-on to the AMRAAM, the medium range air-to-air weapon, that would provide greater range, lethality, and protection against electronic jamming;
- \$200 million (\$800 million over the FYDP) to invest in technologies to disrupt an opponent's ability to attack our surface ships;
- \$1.1 billion (\$2.2 billion over the FYDP) to buy more EA-18 Growlers than originally planned, plus \$1.6 billion over the FYDP to develop a new jamming system, expanding our electronic warfare capabilities;
- \$2.1 billion (\$14 billion over the FYDP) to fund Aegis-equipped ships to further defend the fleet from aircraft and missile attack and provide theater-wide tactical ballistic missile defense; and

—To improve anti-submarine capabilities, \$2.4 billion for P-8 Poseidon aircraft (\$19.6 billion over the FYDP) and \$4.8 billion for procurement of *Virginia*-class attack submarines (\$27.6 billion over the FYDP).

The fiscal year 2012 budget also supports a long-range strike family of systems, which must be a high priority for future defense investment given the anti-access challenges our military faces. A key component of this joint portfolio will be a new long-range, nuclear-capable, penetrating Air Force bomber, designed and developed using proven technologies and with an option for remote piloting. It is important that we begin this project now to ensure that a new bomber can be ready before the current aging fleet goes out of service.

The budget request includes \$10.6 billion to maintain U.S. supremacy in space, in keeping with the recently released National Security Space Strategy. This new strategy will help bring order to the congested space domain, strengthen international partnerships, increase resiliency so our troops can fight in a degraded space environment, and improve our acquisition processes and reform export controls to energize the space industrial base.

As the military services were digging deep for excess overhead, they were also taking a hard look at their modernization portfolio for weapons that were having major development problems, unsustainable cost growth, or had grown less relevant to real world needs.

The Joint Strike Fighter program received special scrutiny given its substantial cost and its central place in ensuring that we have a large inventory of the most advanced fifth generation stealth fighters to sustain U.S. air superiority well into the future. The fiscal year 2012 budget reflects the proposed restructuring of the F-35 Joint Strike Fighter program to stabilize its schedule and cost. The department has adjusted F-35 procurement quantities based on new data on costs, on likely orders from our foreign nation partners, and on realigned development and test schedules.

The proposed restructuring adds over \$4 billion for additional testing through 2016. It holds F-35 procurement in fiscal year 2012 at 32 aircraft and reduces buys by 124 aircraft compared with last year's plans. Even after these changes, procurement ramps up sharply to 108 aircraft by fiscal year 2016. This is the fastest that future procurement can prudently be increased.

The F-35 restructuring places the Marine's STOVL variant on the equivalent of a 2 year probation. If we cannot fix this variant during this timeframe and get it back on track in terms of performance, cost and schedule, then I believe it should be canceled. To compensate for any delays in F-35 deliveries, we propose buying 41 more F/A-18s between fiscal year 2012 to 2014.

I also want to reiterate the President's and my firm opposition to buying an extra engine for the F-35—a position echoed by the Air Force, Navy and Marine Corps leadership. We consider it an unnecessary and extravagant expense, particularly during this period of fiscal contraction.

This budget proposes cancelling the Expeditionary Fighting Vehicle and reallocating funds to existing Marine ground combat requirements, a decision based on the recommendation of the Secretary of the Navy and the Commandant of the Marine Corps.

Ultimately, the Navy and Marine Corps leadership based their recommendations on two main principles: affordability and balance. The EFV, a program originally conceived in the 1980s, has already consumed more than \$3 billion to develop and will cost another \$12 billion to build. The EFV as designed would have cost many times more than the system it would replace, with much higher maintenance and service costs. If continued over the next two decades, the EFV program would consume fully half of all Marine Corps procurement dollars while swallowing virtually the Corps' entire ground vehicle budget—procurement, operations, and maintenance—with all the risk to readiness that entails.

To be sure, the EFV would, if pursued to completion without regard to time or cost, be an enormously capable vehicle. But as with several other high end programs completed or cancelled in recent years—the F-22, the Army Future Combat Systems, or the Navy's DDG-1000 destroyer—the mounting cost of acquiring this specialized capability must be judged against other priorities and needs.

Let there be no doubt—we are committed to sustaining the Marine Corps amphibious mission. This fiscal year 2012 request proposes that the \$2.8 billion previously budgeted to the EFV for the next 5 years instead be reinvested towards an integrated new vehicle program for the Marine Corps, including:

- New armor, weaponry and engines, plus a life-extension program for the existing amphibious assault vehicles;
- The development of a new, more affordable, sustainable and survivable amphibious vehicle;

- Accelerated procurement of new personnel carriers; and
- Enhancement of existing Marine vehicles such as the Abrams tank and Light Armored Vehicle.

Throughout this process, we will harness the lessons learned—in terms of engineering, design, and testing—from the development of the EFV.

PERSONNEL

The fiscal year 2012 budget request includes \$142.8 billion for military pay and benefits and continues our strong support for troops and their families. This includes funding for wounded, ill and injured care, enhancing the military healthcare system and supporting military families under stress. Examples in this request include: \$2.3 billion to provide care for our Wounded Warriors and their families; and \$8.3 billion for supporting families, including child care and school programs.

While the department continues to insist on and pay for the highest quality healthcare, we are also mindful of sharply rising health costs—which have risen over the last decade from \$19 billion in 2001 to \$52.5 billion in this budget request. The department has taken a comprehensive look at all facets of the military healthcare model—emphasizing the need to balance the number one priority of continuing to provide the highest care and service, while ensuring fiscally responsible management.

One area we have identified are benefits provided to working-age retirees under the TRICARE program. Many of these beneficiaries are employed full time while receiving full pensions, often forgoing their employer's health plan to remain with TRICARE. This should come as no surprise, given that the current TRICARE enrollment fee was set in 1995 at \$460 a year for the basic family plan and has not been raised since. By comparison, the fees for a comparable health insurance program for Federal workers total roughly \$5,000 per year.

Accordingly, we propose a modest increase to TRICARE Prime enrollment fees for working age retirees: \$2.50 per month for individuals and \$5 per month for families in fiscal year 2012, and then indexed to increases in national health expenditures in future years.

We are proposing other healthcare initiatives such as efficiencies in pharmacy copays designed to provide incentives to make greater use of generic prescriptions and those ordered by mail. We also seek to phase out, over several years, special subsidies offered to a small group of hospitals that treat military families and retirees. Additionally, we are proposing providing TRICARE-for-Life to all Medicare-eligible retirees aged 65 and over, including future enrollees in the Uniformed Services Family Health Plan. It is important to note that none of these changes would affect healthcare benefits for active-duty personnel.

SECURITY ASSISTANCE REFORM

The fiscal year 2012 request includes funding and authorization for a key step forward in a critical policy area: helping other countries to protect and defend themselves. The Pentagon and the State Department have agreed to a 3-year pilot pooled fund—called the Global Security Contingency Fund—that will be used to build partner capacity, prevent conflicts, and prepare for emerging threats. The proposed fund would incentivize interagency collaboration through a new business model. It would provide a more agile and cost effective way to reduce the risk of future conflicts by allowing our Government to respond to unforeseen needs and take advantage of emerging opportunities to help partners secure their own territories and regions.

The request is modest, an initial \$50 million State Department appropriation, along with a request for authority to transfer an additional \$450 million into the fund from either department if needed. The Department of Defense intends to make significant contributions from its own resources into this pooled fund. We will be requesting in parallel an authorization for this initiative in the fiscal year 2012 NDAA.

OVERSEAS CONTINGENCY OPERATIONS

Finally, this budget request includes \$117.8 billion in fiscal year 2012 to support Overseas Contingency Operations, primarily in Afghanistan, and to wind down our operations in Iraq—this is a significant reduction from the \$159 billion enacted for OCO in fiscal year 2011. The request, which fully funds our wartime requirements, includes:

- \$86.4 billion for wartime operations and related costs;
- \$425 million for the Commander's Emergency Response Fund;
- \$475 million for the Afghan Infrastructure Fund;
- \$2.6 billion to support counter-IED efforts;

- \$3.2 billion for MRAP vehicles, including the MRAP All Terrain Vehicles developed for Afghanistan;
- \$11.9 billion to replace and restore worn, damaged or destroyed equipment; and
- \$12.8 billion for training and equipping of the Afghan security forces.

OFFICE OF SECURITY COOPERATION—IRAQ

I also want to mention a request in fiscal year 2012 for \$524 million for the Office of Security Cooperation—Iraq (OSC-I). The OSC-I, which will be jointly funded with the State Department, will execute our Foreign Military Sales program in Iraq. OSC-I will help ensure the continuation of military-to-military relationships that advise, train, and assist Iraq's security forces.

CONCLUSION

In conclusion, I want to thank this committee for all you have done to support our troops as well as their families. From my earliest days as Secretary of Defense, I have made a point of reminding officers—from cadets to admirals and generals—that Congress is a co-equal branch of government that under the Constitution raises armies and provides for navies and air forces. Members of both parties serving in Congress have long been strong supporters of our military and are owed honesty and candor from the military and from the Department.

It has been the greatest privilege of my life to lead this great military for the past 4½ years. Every day, I've considered it my responsibility to get our troops everything they need to be successful in their mission and to come home safely. In my visits to the combat theaters, in military hospitals, and in bases and posts at home and around the world, I continue to be amazed by their decency, resilience, and courage.

Finally, I want to thank this committee once again for all you have done to support our troops as well as their families. In visits to the combat theaters, in military hospitals, and in bases and posts at home and around the world, I continue to be amazed by their decency, resilience, and courage. Through the support of the Congress and our Nation, these young men and women will prevail in the current conflicts and be prepared to confront the threats that they, their children, and our nation may face in the future.

Thank you Mr. Chairman.

**STATEMENT OF ADMIRAL MIKE MULLEN, U.S. NAVY, CHAIRMAN,
JOINT CHIEFS OF STAFF**

Chairman INOUE. And may I now call upon the Chairman of the Joint Chiefs of Staff, Admiral Mullen.

DEFENSE BUDGET

Admiral MULLEN. Mr. Chairman, Senator Cochran, and distinguished members of this subcommittee, I'm honored to appear before you today to discuss the President's fiscal year 2012 Defense budget.

As the Secretary laid out, this budget, combined with the efficiencies effort that he led, provides for the well-being of our troops and families; fully funds current operations in Afghanistan and Iraq; and helps balance the global risk, through streamlined organizations, smarter acquisitions, and prudent modernization.

The Army, for instance, will cancel procurement of the surface-to-air missile and the non-line-of-sight launch system; but it will continue production of the joint light tactical vehicle, and spearhead the development of a whole new family of armored vehicles.

The Navy will give up its 2d Fleet headquarters, reduce its manpower ashore, and increase its use of multi-year procurement for ships and aircraft, allowing it to continue development of the next generation ballistic missile submarine, purchase 40 new F/A-18s, four littoral combat ships, and another LPD-17.

The marines will cancel the expeditionary fighting vehicle, and, like the Army, reduce their end strength starting in 2015. But they will reinvest these savings to sustain and modernize the amphibious assault vehicle and the light armored vehicle, even as they advance a new concept of operations and restore much of their naval expeditionary skills.

And the Air Force will be able to continue development of the next-generation tanker, a new bomber, and modernize its aging fleet of F-15 fighters, all the while finding savings of more than \$33 billion through reorganization, consolidation and reduced facilities requirements.

None of this balancing will come on the backs of our deployed troops.

We are asking for more than \$84 billion for readiness and training, nearly \$5 billion for increased Israel capabilities, and more than \$10 billion to recapitalize our rotary aircraft fleet.

These funds, plus those we are requesting to help build our partnership capacity in places like Afghanistan and Pakistan, Iraq and Yemen, all speak to the emphasis we are placing on giving our troops and their partners in the field everything they need to do the difficult jobs we've asked of them.

MILITARY HEALTHCARE PROGRAM

We must also give them and their families everything they need to cope with the stress and the strain of almost 10 years at war. That's why I'm so pleased with the funds devoted in this proposal—almost three-quarters as much as the \$200 billion budgeted for operations and maintenance—to personnel, housing and healthcare issues.

As you may know, the chiefs and I penned a rare 24-star letter to Congress expressing our unqualified support for the military healthcare program changes included in this budget. We sought equity across all healthcare programs, with beneficiaries and healthcare delivery providers having the same benefits and equivalent payment systems regardless of where they live or work. That in turn led us to propose increases in TRICARE enrollment fees for working-age retirees. These increases are modest and manageable, and leave fees well below the inflation-adjusted out-of-pocket costs set in 1995, when the current fees were established. We sincerely hope you will see fit to pass it. It is clearly eating us alive.

Please know that we will continue to invest in critical care areas, to include research, diagnosis, and treatment of mental health issues and traumatic brain injury; enhanced access to health services; and new battlefield technologies. We understand that changes to healthcare benefits will cause concern among people we serve, and the communities from which we receive care. But we also understand and hold sacred our obligation to care completely for those who have borne the brunt of these wars, as well as those for whom the war never ends.

I remain convinced that we haven't begun to understand completely the toll that war extracts from our people. Just as the grandchildren of World War II vets still struggle to comprehend the full scope of the horror those men conceal, so, too, will our grandchildren have to come to grips with the wounds unseen from these

wars, unless we get it right. I believe the investments we are making in wounded care and family readiness will pay off in that regard. But it will take time and patience and money—three things we rarely seem to possess.

That brings me back to this particular budget request. With limited resources and two wars in progress—three, if you count our support to NATO operations in Libya—we should be prudent in defining our priorities, in controlling our costs, and in slaking our thirst for more and better systems. We should also be clear about what the Joint Force can and cannot do, just as we should be clear about what we expect from our interagency and international partners.

Our global commitments have not shrunk. If anything, they continue to grow. And the world is a lot less predictable now than we could have ever imagined. You need look no further than the events across the Middle East and North Africa to see the truth in that. In fact, I just returned from a trip to Egypt, and 1 week before that I was in Pakistan with Secretary Clinton as we tried to find ways to move forward our relationship with that nation in the wake of Osama bin Laden's killing.

The challenges in both Egypt and Pakistan are distinct, to be sure, but at each stop—and, in fact, in just about every country I visit—I've been struck by the degree to which civilian and military leaders alike desire to keep our military partnerships strong. This desire isn't rooted in the fear of revolt or recrimination, but rather, a shared understanding of the external threats to their security and ours, which still plague the region. Therefore, changes to these relationships in either aid or assistance ought to be considered only with an abundance of caution and a thorough appreciation for the long view, rather than the flush of public passion and the urgency to save a dollar. The support we provide many of these militaries has helped them become the capable professional forces they are and, in that regard, has been of inestimable value.

Of equal or greater value is increased appropriations for the State Department, and our request in this budget for something called the Global Security Contingency Fund—a 3-year pooled fund between the Pentagon and the State Department that will be used to build partnership capacity, prevent conflicts, and prepare for emerging threats. The request is modest—an initial \$50 million appropriation—along with a request for authority to reprogram an additional \$450 million if needed. But, what it will buy us is an agile and cost-effective way to better respond to unforeseen needs and take advantage of emerging opportunities for partners to secure their own territories and regions.

We must get more efficient—absolutely. But, we must get more pragmatic about the world we live in. We can no longer afford bloated programs or unnecessary organizations without sacrificing fighting power. And we can no longer afford to put off investments in future capabilities or relationships that preserve that power across the spectrum of conflict.

As you know, the President announced his framework for addressing our Nation's long-term fiscal challenges, setting a goal of reducing Defense spending by \$400 billion. This will be hard work and will require difficult choices about matching strategy to re-

sources. Those choices will be painful, even unnatural for the Services, for the Department, and for the Congress. But they are absolutely necessary.

The President also directed that, before making specific budget decisions, the Department of Defense will assess their impact by conducting a fundamental review of America's military missions, capabilities, and roles in a changing world. Secretary Gates and I have begun this review, and will work with the service chiefs to ensure we can meet our national security priorities, even in the face of fiscal pressure. Our review will be based on strategy and risks, not simply budgetary math. And our goal will be to ensure that we do not repeat the mistakes of the past, nor, at the end of this endeavor, find ourselves with a hollow force—a force that retains an organizational structure, but lacks the people, the training, and equipment necessary to perform the tasks we expect from it.

In my view, then, this proposed budget gives us a good start. It builds on the balance we started to achieve last year, and represents the best of both fiscal responsibility and sound national security.

I would be remiss, indeed, if I did not close by praising the incredible efforts of our troops overseas and their families as they finish one war in Iraq, begin to turn corners in Afghanistan, and help save innocent lives in Libya. I know you share my pride in them and that you will keep them foremost in mind as you consider the elements of this proposal.

PREPARED STATEMENT

I, too, would like to thank you for your longstanding support of our military, of our families. You have set a standard in many ways that those of us who are fortunate enough to interact with you appreciate, and I know our troops and our families appreciate it, as well.

Thank you, Mr. Chairman.

Chairman INOUE. Admiral Mullen, thank you very much.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL MICHAEL G. MULLEN

Chairman Inouye, Senator Cochran, and distinguished members of the Committee, it is my privilege to report on the posture of the United States Armed Forces.

We remain a Nation at war on multiple fronts. In the face of daunting challenges, our Armed Forces have successfully carried out their far-ranging missions over the past year. They have improved security in Afghanistan, continued on a path to soon end the war in Iraq, and promoted stability in the Pacific Rim. They have supported NATO in its U.N. mission to protect civilians in Libya and have provided humanitarian assistance, such as in Japan in the aftermath of the recent devastating earthquakes and tsunami. And they displayed their characteristic bravery and precision in the May 2 operation targeted against al-Qaeda leader Osama Bin Laden, the leader of al-Qaeda. You can be very proud of your military. However, the cumulative stress of 9 years of war is substantial and growing. We will need your sustained support, even in the midst of fiscal difficulties, to reset the Joint Force so it can continue to protect the American people.

Our country is fortunate to be served by the best Armed Forces I have seen in over 43 years of wearing the uniform. Despite continuous deployments and combat operations, our men and women in uniform and their families have been resilient beyond all expectations. They are patriots who care deeply for this country and serve under very trying conditions. They are the most combat experienced and capable force we have ever had, and they continue to learn and adapt in ways that are

truly remarkable. I am continuously humbled as I visit them around the country and the world. Time and again, these men and women and their families have proven that our All Volunteer Force is the Nation's greatest strategic asset.

This Force cannot thrive without the support of the American people. Everything we are and everything we do comes from them. I am grateful for the Congress' and the American people's constant reminders that the service, heroism, and sacrifices of our service members and their families are valued. However, I am concerned that because our military hails from a shrinking percentage of the population, some day the American people may no longer know us. We cannot allow this to happen. With your help, we will endeavor to stay connected and to maintain a strong and open relationship.

As we look to our military's posture and budget, we recognize that our country is still reeling from a grave and global economic downturn and is maintaining nearly historic fiscal deficits and national debt. Indeed, I believe that our debt is the greatest threat to our national security. If we as a country do not address our fiscal imbalances in the near-term, our national power will erode. Our ability to respond to crises and to maintain and sustain our influence around the world will diminish.

Our national economic health is creating real budgetary pressures. For too much of the past decade we have not been forced to be fully disciplined with our choices. But for the foreseeable future, cost will be a critical element of nearly every decision we face. We must now carefully and deliberately balance the imperatives of a constrained budget environment with the requirements we place on our military in sustaining and enhancing our security. We must identify areas where we can reduce spending while minimizing risk. This will affect our posture, force structure, modernization efforts, and compensation and benefits. The Defense Department must and will become more efficient and disciplined, while simultaneously improving our effectiveness.

In April, the President announced his framework for addressing our Nation's long-term fiscal challenges, setting a goal of reducing defense spending by \$400 billion. This will be hard work and will require choices that will be painful to many, but it is necessary. The President also directed that before making specific budget decisions, the Department of Defense assess their impact by conducting a fundamental review of America's military missions, capabilities, and role in a changing world. Secretary Gates and I have launched this review and will work with Service Chiefs to ensure our ability to meet our crucial national security priorities even in the face of fiscal pressures. Our review will be based on strategy and risks, not simply budgetary math, and our goal will be to ensure that we do not repeat the mistakes of the past nor at the end of this endeavor find ourselves with a hollow force—a force that retains an organizational structure but lacks the people, training, and equipment necessary to perform the tasks we expect from it.

In the near-term, the President's fiscal year 2012 Department of Defense budget of \$553 billion represents a balance of military risks and fiscal realities we face today. The return on U.S. defense spending over the past two decades has been immense and historic: preventing world war between great powers, securing the global commons and the free flow of international trade and natural resources, combating terrorism across the globe, and protecting the American people and our allies. But our operations have come with stresses and strains as well as costs to our readiness. If we are to continue to execute the missions set out by our strategy, we must recognize that recovering from war and resetting the force is costly and will require several years of continued investment. Congressional support is required for our forces, their families, their equipment and training, and our military infrastructure to ensure the success of our ongoing efforts and for us to be ready to respond to new and emerging security challenges.

The President's National Security Strategy, the National Military Strategy, and the President's Strategy for Afghanistan and Pakistan describe our military approaches and ongoing operations in great detail. This posture statement will focus on the strategic priorities for the military and the Congressional support we need. My priorities remain defending our vital interests in the broader Middle East and South Central Asia, improving the Health-of-the-Force, and balancing global strategic risk.

DEFENDING OUR VITAL NATIONAL INTERESTS IN THE BROADER MIDDLE EAST AND SOUTH CENTRAL ASIA

Over the past year, our Armed Forces have continued to shoulder a heavy burden, particularly in the Middle East and South Central Asia. The balance of this burden and our wartime focus has shifted, however, from Iraq to Afghanistan. This was made possible by drawing down military forces in Iraq and transitioning security

responsibilities to the Iraqis. Meanwhile, we committed additional forces and resources to Afghanistan and Pakistan as well as participated in NATO operations in Libya.

Removing Osama Bin Laden from al-Qaeda's leadership is a signature achievement, and it came only after years and years of painstaking and difficult work by intelligence and military professionals. Although the full import will not be known for some time, his death contributes to the larger struggle and steady progress we must make toward disrupting, dismantling, and ultimately defeating al-Qaeda. As a result of our operations with our Coalition, Afghan, and Pakistani partners, and extensive cooperation with other partners, al-Qaeda's senior leadership in Pakistan is weaker and under greater pressure than at any other time since being forced out of Afghanistan in late 2001. They have suffered the losses of numerous senior leaders and face significant challenges to coordinating operations, maintaining safe havens, and acquiring funding. Despite this operational progress, al-Qaeda retains the intent and capability to attack the United States and other Western countries. The movement's leaders continue to operate in the Afghanistan-Pakistan border region, planning operations and guiding the efforts of al-Qaeda networks operating out of the Arabian Peninsula, Africa, and even Europe. We, in turn, remain committed to our deepening and broadening partnerships in the region and to our goal of ultimately defeating al-Qaeda and creating the conditions to prevent their return to Afghanistan and Pakistan.

We continue to implement our national strategy for Afghanistan and Pakistan with great urgency. This past November, we completed the deployment of the 30,000 additional U.S. forces, and we are seeing signs of improving security on the ground. These forces have allowed us to go on the offensive with our Afghan and ISAF partners, force the Taliban out of safe havens in its heartland of Kandahar and Helmand, better protect the Afghan population, and reduce civilian casualties. Our counterinsurgency operations, conducted in close partnership with Afghan forces, have reduced the Taliban's influence, reversed the insurgency's momentum in key areas of the country, and forced many Taliban leaders to flee. Our forces will consolidate recent gains in Helmand and Kandahar Provinces and further expand security in other critical parts of the country.

This success against the Taliban and other insurgent groups is essential to prevent the return of al-Qaeda, gain time to build the Afghan National Security Forces (ANSF), and force insurgents to reconcile with the Afghan government on acceptable terms. We expect the violence in 2011 to be greater than last year. The fighting this summer will be tough and often costly, but it is necessary to sustain and even increase the pressure we have been placing on the insurgent groups. We cannot allow the Taliban to reorganize and reconstitute as they did in 2004 and 2005, regain their oppressive influence over the Afghan people, and once again provide safe haven to al-Qaeda or its affiliates.

For the success of our military operations to be enduring, it is critical that the ANSF be able to provide adequate security for the Afghan people. Our greatest success story this past year has been the growth and development of the ANSF. With the help of additional ISAF trainers, the ANSF added 49,000 soldiers and 21,000 policemen to their ranks—an astonishing growth of 36 percent. The ANSF also continue to improve on the battlefield and increasingly contribute to the war effort. They are fighting beside us and have grown in their ability to plan and conduct complex operations. In fact, their expanding capabilities and presence have already allowed International Security Assistance Forces (ISAF) units to "thin out" in some parts of central Helmand and Kabul Province. We are on track to begin the transition of security responsibilities and drawdown of our forces in July 2011. In the coming year, while continuing to grow the ANSF in size, we will place greater emphasis on improving its quality, professionalism, and self-sufficiency, to ensure that they remain on track to assume the overall lead for security in 2014. To this end, the Afghan Security Forces Fund remains critical to the building of the ANSF's capabilities and to the ANSF's eventual assumption of security responsibilities.

Despite our successes, numerous other challenges remain. Achieving sustainable security requires developing Afghan governing capacity, countering corruption, cultivating the conditions needed for conflict resolution, and neutralizing insurgent sanctuaries in Pakistan. Absent these conditions, we will not succeed. Despite a dramatic increase in our civilian presence in Afghanistan this past year, improvements in sub-national governance and reconstruction have not kept pace with progress in improving security. This has impeded our ability to "hold," "build," and "transfer." For this reason, the Commander's Emergency Response Program remains the most responsive means for addressing a local community's needs and is often the only tool our commanders have to address pressing requirements in areas where security is challenged. Along with development projects, we believe that new transparency and

anti-corruption efforts may counter the deleterious effects of Afghanistan's criminal patronage networks, mitigate the distortive effects of international aid and development programs, and ultimately improve the confidence the Afghan people have in their government and their governing officials.

To complement this "bottom-up" development, we will support the Afghan government's reconciliation and reintegration efforts in order to achieve the political solution that is an imperative to sustainable peace. Their efforts will only succeed if the Taliban and other insurgents believe they have more to gain by negotiating an end to the conflict than by continuing to fight. Achieving reconciliation and reintegration will take time, skillful diplomacy, and sustained military pressure, but we will not achieve a favorable and durable outcome unless we meet this challenge.

Though our operational efforts are focused on Afghanistan, our diplomatic efforts have increasingly focused on Pakistan, a country critical to our strategy in the region. We must continue to pursue a partnership with Pakistan even as we are realistic about the difficulty in overcoming years of mistrust. The alternative—drifting toward a more contentious or fractured relationship—is far more detrimental to U.S. interests in strategically defeating al-Qaeda and ensuring nuclear weapons do not fall into terrorists' possession. We therefore should remain committed to close coordination, cooperation, and friendship with Pakistan.

It is manifestly in our interest to enable the Pakistani military's counterterrorism and counterinsurgency operations. The series of offensive operations undertaken by the Pakistani military in the tribal areas expanded dramatically in 2009. There, the Pakistanis have fought bravely and sacrificed much—losing thousands of soldiers in the process. We have steadfastly supported them in a variety of ways, primarily in the development of the counterinsurgency capabilities of Pakistan's security forces. This development and the military's operations have kept pressure on al-Qaeda's senior leadership and the militant groups threatening Pakistan and Afghanistan.

However, insurgent groups such as the Quetta Shura and the Haqqani network continue to operate unhindered from sanctuaries in Pakistan, posing a significant threat to NATO and Afghan forces. Our efforts to enable the Pakistani Military depend on several critical programs, such as the Pakistan Counterinsurgency Fund and Pakistan Counterinsurgency Capability Fund and the Multi-Year Security Assistance Commitment announced by Secretary Clinton last fall. It is also important that through exchange programs, such as the International Military Education and Training (IMET) program, we establish relationships with the generation of Pakistani officers with whom we had cut ties. In addition, because we so heavily depend on Pakistan as a supply route supporting our efforts in Afghanistan, Coalition Support Funds remain critical to reimbursing the Pakistanis for their assistance in securing those supply routes.

In terms of our broader engagement with Pakistan and the region, reducing some of the long-standing enmity and mistrust between India and Pakistan would greatly contribute to our efforts. As neighbors, it is in both India and Pakistan's interests to reduce the tension between them and strengthen their political, security, and economic ties. While we acknowledge the sovereign right of India and Pakistan to pursue their own foreign policies, we must demonstrate our desire for continued and long-term partnership with each, and offer our help to improve confidence and understanding between them in a manner that builds long-term stability across the wider region of South Asia.

Another increasingly important aspect of our engagement in South Central Asia is the development of the Northern Distribution Network. This line of communication has proven critical to maintaining flexibility in our logistical support to our efforts in Afghanistan. We will continue to work with our partners to ensure access, expand throughput, and sustain the viability of redundant supply routes for our forces.

We have ended our combat mission in Iraq, Operation Iraqi Freedom, and started a new chapter in our partnership, Operation New Dawn. We successfully transferred lead for security responsibilities to the Iraqi Security Forces on August 31, 2010. Iraq's military and political leaders are responding to the residual, but still lethal, threat from al-Qaeda. As a result, and despite a drawn-out government formation process, the security situation there remains stable, and the Iraqi people are increasingly able to focus on jobs and development. Beyond this security transition, the State Department has taken the lead for U.S. efforts in Iraq, and our diplomats and other civilians are increasingly the face of our partnership with the Iraqi people and their government. Sustained funding for our civilian efforts, commensurate with the State Department's growing responsibilities—particularly our development assistance and police training programs—is needed to ensure we are able to successfully turn our military accomplishments into lasting political ones.

However, the end of the war in Iraq will not mean the end of our commitment to the Iraqi people or to our strategic partnership. We must focus on the future to help Iraq defend itself against external threats and consolidate a successful, inclusive democracy in the heart of the Middle East. As we continue to draw down forces through December 31, 2011, in accordance with the United States-Iraqi Security Agreement, we will transition to a more typical military-to-military relationship. We will shift the focus of our assistance from Iraq's internal domestic security to its external national defense, keeping in consideration the interests and sensitivities of all Iraqis as well as Iraq's neighbors. While Iraqi security forces have made great improvements, they will require external assistance for years to come. The cornerstone of our future security partnership with the Iraqis will be a robust Office of Security Cooperation, performing both security assistance and security cooperation functions, as part of the U.S. Embassy in Iraq. Key to our assistance and not squandering our hard won gains will be continued support to the Iraqi Security Forces fund through fiscal year 2011, IMET and other traditional security assistance programs, as well as an extension of Section 1234 authority to transfer equipment from Department of Defense stocks.

Despite the energy we commit to defeating al-Qaeda and to stabilizing the situations in Afghanistan, Pakistan, and Iraq, we remain vigilant against other security challenges and sources of aggression and proliferation throughout this critical region. The Iranian regime continues to threaten regional stability. Despite growing isolation from the international community and a fourth round of increasingly costly U.N. sanctions, the regime has neither ceased providing arms and other support to Hezbollah, HAMAS, and other terrorist groups nor accepted a verifiable end to its pursuit of nuclear weapons. Many of the long-standing potential flashpoints in the Levant and the gulf region bear Iran's signature, and the Iranian regime is also attempting to seize on opportunities presented by the recent unrest in the region.

That said, strong social, economic, and political tensions pull on the region and its people—as evidenced by the turmoil we have recently witnessed in Tunisia, Egypt, Libya, Yemen, Syria, and Bahrain. Volatility in regional affairs can often follow volatility in domestic affairs. Strong military-to-military relationships can help reduce and mitigate the risks of instability, but sometimes use of force is necessary. The most recent example of this is our rapid response to the crisis in Libya. Since mid-March, after Muammar Gaddafi turned his armed forces against his own, U.S. forces have participated in the NATO-led effort to implement and enforce U.N. Security Council Resolution 1973. We provided rapid planning, command and control, and electronic attack capabilities for the coalition force that has halted the regime's assault on the city and people of Benghazi, and subsequently transitioned the leadership responsibility of the effort over to NATO.

We will continue to help counter terrorist threats, deter Iranian aggression, and protect our partners from coercive influence. To do this we will continue to build the capabilities of our partners. More important, we will nurture the development of a regional security architecture based on multi-lateral partnerships that address a wide range of security issues including counterproliferation, maritime security, counterterrorism, air and missile defense, and emergency response. As with our other partnerships across the globe, our security assistance programs are the cornerstone of our relationships. In particular, our Section 1206 and 1208 programs provide a unique and necessary flexibility and responsiveness to Combatant Commander requirements that we cannot currently get with our Foreign Military Financing (FMF) programs.

IMPROVING THE HEALTH-OF-THE-FORCE

The “back end” of war—the continued care of our veterans and their families and the resetting of our force—cannot be an afterthought, and getting it right will be expensive. Moreover, because of the duration of these conflicts, we have begun to reset our units even in the midst of conflict. The stress of over 9 years of constant warfare has come at a great cost to the Force and its ability to continue to conduct operations and respond to other emergent crises. We must care for our people and their families and reset and reconstitute our weapon systems to restore our readiness, capabilities, and wartime effectiveness. This will require a sustained commitment of at least 3 to 5 years, and could continue well beyond the end of our involvement in Iraq and Afghanistan.

Care for our People

Our foremost focus is on our servicemen and women, their families, and their supporting communities—the bedrock of our Armed Forces. They each play unique and growing roles in our national security fabric, but they have been under great, often unrecognized, stress for the past 9 years. Over 2 million of our service members

have deployed to fight overseas. Some have served multiple grueling tours, a great number have suffered significant injuries, and thousands have sacrificed their lives. Even those serving stateside enjoy only short respites between deployments. We have asked a great deal from our people, and we must invest in them and their families—through appropriate pay, healthcare, family care, education, and employment opportunities—as they are the single greatest guarantee of a strong military. And they become our best recruiters.

The many accomplishments of our All Volunteer Force over the past 9 years of continuous combat operations have been unprecedented. That we remain competitive in attracting the country's best talent during this period is simply extraordinary. All of our Services in the Active Duty, Reserve, and National Guard components continue to have exceptional recruiting and retention rates. Ninety-six percent of our accessions have earned at least a high school diploma, which helps explain why this is one of the finest forces we have ever fielded. Competitive compensation and selective bonuses are critical to our ability to recruit and retain talent, as are other "people programs," such as the new GI Bill, improvements in housing, access to quality schooling for military children, mental health counseling, adequate child care, and attractive family support centers. All of these programs make the harsh burdens of military life easier to bear. I ask for Congress' continued support for them in order to sustain the Force while our overseas operations continue.

I also urge Congress to continue funding the programs that will create a continuum of healthcare for our veterans and their families that seamlessly spans active duty and veteran status. With a focus on our enduring commitment, we must continue to improve our active and veteran care services, with special emphasis on Wounded Warrior Support. We will expand our public and private partnerships and tap into the "sea of goodwill" toward our veterans found in our Nation's communities and civic organizations. That will be important, but it is not sufficient. Long-term fiscal support for the Department of Veterans Affairs will serve the growing number of veterans requiring care.

One issue that demands acute national attention is the challenge of Traumatic Brain Injury (TBI). The Improvised Explosive Device (IED) is the signature weapon of the conflicts in Iraq and Afghanistan and is directly responsible for many of these injuries. Many of our heroes suffer from severe TBI and have had their lives dramatically changed in ways we do not yet fully understand, and over 150,000 others have been exposed to events that may have caused moderate TBI. As such, we need to aggressively identify the victims of TBI, both within the serving force and among our veterans, and the treatment and rehabilitation they need and deserve. The effects of these efforts will pay dividends for some time, because we can expect to face IEDs in future conflicts as well.

In addition, suicides and the many other stresses and social health costs that lag behind war—divorce, domestic violence, post-traumatic stress, depression, and even homelessness—are becoming alarmingly evident. Suicide rates remain unacceptably high, although programs such as the Department's Suicide Prevention Task Force and our improved leadership efforts have helped to lower the rates in 2010 in three of our four Services. Leaders must remain focused on this issue, as we work to improve our systematic understanding of the problem's scope, warning signs, and at-risk populations. As a society we must work to end the stigma that prevents our service members, veterans, and families from seeking early help.

By more effectively leveraging public-private partnerships, we can pursue solutions and treatment for all of these health issues afflicting the Force with great urgency and compassion and honor the sacred trust our Nation has with all of our combat veterans.

Reset and Reconstitute

The grueling pace of deployments has not allowed for the training needed to keep our forces ready along the entire spectrum of military operations and, as a result, our readiness in some mission areas has atrophied over the past decade. There are some modest reasons for hope, though. The Army now has fewer soldiers deployed than it has had at any time since the invasion of Iraq. In addition, this past year we completed the increases in the Army and Marine Corps end strengths authorized in 2007. As a result, we are beginning to see some stabilizing deployment rates and modestly improving dwell times. We appreciate the Congressional support to our wartime manning needs that has enabled this. However, our overseas contingency operations do continue to demand significant numbers of ground and special operations forces and low-density, high-demand specialties. For our Army combat units, we do not expect to begin to reach our interim goal of 1:2 deploy-to-dwell ratios until the end of 2012. After reset and reconstitution activities and as demand decreases, we expect to begin off-ramping some of our recent temporary force level increases.

However, my concerns about the health of our force go beyond our people and training—we must also restore the readiness of our combat systems and capabilities, which have similarly been under extraordinary stress. In the “back end” of previous conflicts, we were able to contract our equipment inventory by shedding our oldest capital assets, thereby reducing the average age of our systems. We cannot do this today, because the high pace and durations of combat operations have consumed the equipment of all our Services much faster than our peacetime programs can recapitalize them. We must actually recapitalize our systems to restore our readiness and avoid becoming a hollow force. All of this will force us to be more efficient and disciplined in our choices.

We must focus resources where they matter most, and we will reset and reconstitute by prioritizing people, readiness, capabilities, and essential modernization to maintain a technological edge. In the short-term, we will continue previous efforts to reconstitute and expand our rotary wing and tilt-rotor capacity in our Combat Aviation units and to convert one heavy Brigade Combat Team to a Stryker Brigade. However, over a period of years, we will modernize our battle fleet of ground combat vehicles, including replacing the Bradley Fighting Vehicle. We require enhancements to our manned and unmanned Intelligence, Surveillance, and Reconnaissance (ISR) assets, a new bomber program, extending the service life of a portion of our F-16 fleet, and continuing improvements in our missile defense and electronic warfare systems. We hope to modernize and extend the service life of our F/A-18 fleet and invest in additional P-8A aircraft and tankers. Last, we ask for full resourcing of the Air and Missile Defense Radar, the Next-Generation Jammer, and communications and integrated fire control systems designed for operating in contested environments. These investments are, without question, costly, but they are critically demanded by our current and likely future challenges.

Just as important as the reconstitution of these combat systems are the acquisition processes and production capacities underlying them. Our procurement systems remain complex and in need of streamlining to help us acquire needed capabilities faster and more affordably. Last year we committed to adding 20,000 experts to our acquisition corps by 2015. In doing so we seek to improve stability in our programs, conduct more comprehensive design reviews, improve cost estimates, utilize more mature technology, and increase competition in order to make the entire process more responsive and effective.

In addition, as I stated last year, I am concerned about the capabilities of our defense industrial base, particularly in ship building and space. Our ability to produce and support advanced technology systems for future weapon systems may be degraded by decreasing modernization budgets as well as mergers and acquisitions. Left unchecked, this trend will impact our future warfighting readiness. Although we are properly focusing on near-term reset requirements, the Department, our industry leaders, and the Congress need to begin considering how to equip and sustain the military we require after our contemporary wars come to an end.

BALANCING GLOBAL STRATEGIC RISK

Balancing global risk requires maintaining a ready, forward presence with available forces that, overall, can meet the full scope of our security commitments. To meet these requirements, we must reset, sustain, and properly posture a force that includes both our active force and our National Guard and Reserve Components. But we must also make prudent investments and continuously evolve the force so as a whole it can meet the challenges of an increasingly complex global security environment.

For many decades, our overmatch in our general purpose forces has underwritten our national security and our prosperity, as well as that of our many allies and partners. This credible strength has deterred aggression and reduced the likelihood of inter-state conflict like those of the 19th and early 20th centuries. With these capabilities, we have stood side by side with our allies in the face of belligerent aggression, helped secure access and responsible use of increasingly contested domains, and provided timely humanitarian assistance in response to natural disasters across the globe. However, our recent experience reminds us that we must continue to adapt some of our systems and tactics to counter anti-access and area-denial strategies, which may involve both the most advanced and simplest technologies.

We already know some of the contours of what our future force will need to do. We know that, in addition to the current array of aggressive states and transnational terrorists we face, we must adjust to a changing global environment impacted by the rise of China and other emerging powers as well as the growing worldwide use and capabilities of cyber space. Such a world requires an agile, adaptive, and expeditionary force. It must ensure access, protect freedom of maneuver,

and project power globally. It should retain decisive overmatch with air, land, sea, and special operations forces and be able to operate in degraded space and cyber environments. As such, transitioning to this future force will likely involve a greater emphasis on ISR, command and control, long range strike, area denial, undersea warfare, missile defense, and cyber capabilities. This transition will also involve further developing flexible leaders, operators, and technicians who are highly proficient and able to fully integrate our efforts with our partners from other agencies and other countries.

In addition to maintaining our regular and irregular warfare capabilities, we will also continue to rely on secure and stable nuclear deterrence. It is also important that we maintain the safety and surety of our nuclear forces, even as we seek to reduce them in accordance with the Nuclear Posture Review and implement the recently ratified New Strategic Arms Reduction Treaty. We need to modernize our nuclear force and its supporting infrastructure to ensure that a smaller force is nonetheless safe, secure, and effective. Last, our missile defense systems should support the stability of our deterrence architectures.

And while we work to reduce, safeguard, and provide confidence in our nuclear force and those of treaty signatories, we acknowledge that the proliferation of nuclear technology and other weapons of mass destruction by state and non-state actors remains one of the most significant and urgent worldwide threats. Effectively countering proliferation requires strong international partnerships, new surveillance technologies, and layered defenses. These are supported by ongoing expansion of the Cooperative Threat Reduction Program, establishment of a standing joint headquarters for weapons of mass destruction elimination, and investments in nuclear forensics technology and programs. These relatively small programs can have a disproportionately large positive impact on our security.

Balancing global strategic risk also requires improving our capabilities in cyberspace. Today we face a range of threats to our computer systems from other states, mercenaries, and even civilian hackers, and their ability to wreak havoc cannot be overstated. Lower grade cyber threats conducted by organized criminals and talented individuals do not necessarily put the Nation at serious risk. But the effects of a well coordinated, state-sponsored cyber attack against our financial, transportation, communications, and energy systems would be catastrophic.

Though there has been important progress across the government, such as the recent release of the International Strategy for Cyberspace and the standing up U.S. Cyber Command, more work is needed. Critical to Cyber Command's future success will be our ability to recruit, train, and most importantly, retain the right people. We must devote the same time and attention to cultivating this Nation's future cyber workforce as we do to our combat specialists. We must also empower Cyber Command and the combatant commands by working with the Executive Office of the President and other agencies to develop appropriate cyber authorities and by refining our cyber doctrine, tactics, and procedures. We will need to engage with NATO allies in the area of cyberdefense, as a contributing partner at the NATO Cooperative Cyberdefense Center of Excellence in Estonia. Last, we need to actively foster public discussion about international observance of cyber space norms.

Balancing global strategic risk requires strong military-to-military engagement programs. These collaborative efforts engender mutual responsibility and include ongoing combined operations, multi-lateral training exercises, individual exchanges, and security assistance. They help demonstrate the United States' responsible military leadership in critical regions, reassure our allies, and strengthen the international norms that serve the interests of all nations. They also foster connections with other governments that reinforce our diplomatic channels and have proven critical during times of crisis.

We currently benefit from numerous strong and well appreciated military partnerships, such as our North American and NATO relationships. For example, at the November NATO Summit in Lisbon, we and our allies recommitted to our alliance, ongoing operations, and a new Strategic Concept for the next decade. This spring, NATO released its Alliance Maritime Strategy and agreed to streamline its Command Structure, based in part on lessons learned from ongoing operations related to Libya. In Asia, though still underpinned by U.S. bilateral alliances, the region's security architecture is becoming a more complex mixture of multi-level multilateralism and expanded bilateral security ties among states. As the region's military capability and capacity increases, we seek new ways to catalyze greater regional security cooperation.

Unfortunately, the global economic downturn is placing pressure on the resources of partner nations' security forces. We foresee no decrease in the commitment of our partners to us or to any of our mutual security efforts, but we must face the reality of less spending by our partners on our combined security and stability efforts. Any

measures we take to strengthen our partnerships, such as the Administration's Export Control Reform effort, can only improve our collective security.

We should not engage only with like-minded allies. Military-to-military engagement, in coordination with other diplomatic efforts, can help foster cooperation in areas of mutual interest between nations with varying levels of amity. We have seen the fruits of our engagement programs in strengthening cooperation in the Middle East, countering piracy in the Red Sea and the Straits of Malacca, and countering proliferation across the globe. We will seek out military-to-military relations even where they have not existed before because sound relations can prevent miscommunication and miscalculation that could lead to crisis or conflict. In particular, we are nurturing increased engagement with China—recently hosting the Chief of the Chinese General Staff for the first U.S. visit in 7 years. I intend to reciprocate and will visit China in July. China's peaceful, constructive rise would have a positive economic and security impact on the world, and we encourage continued improvements in transparency to ensure that this rise is properly understood. In addition, by increasing our military-to-military engagement with China we hope to increase understanding and cooperation on a multitude of issues, including encouraging North Korea to refrain from further provocation and ensuring access to and equitable use of the global commons.

A significant component of our engagement program is the security sector assistance we provide to build the capabilities of our partner nations' security forces. These cost-effective programs properly place security responsibilities in the hands of other sovereign governments and reduce the tactical strain on our own forces by helping to prevent conflicts and instability. In many places, across the range of U.S. interests, investments in capacity building result in strong foundations for the future. These investments are often small but, if persistent, can yield a high return. I urge your continued support for Theater Security Cooperation programs, Acquisition and Cross-Servicing Agreements to lend military equipment for personnel protection and survivability (under 1202 authorities), Global Train and Equip initiatives (under 1206 authorities), funding for special operations to combat terrorism (under 1208 authorities), as well as the many security assistance programs managed by the Department of State, including FMF and IMET programs.

However, just as these programs require full funding, they also need wholesale reform. Our security assistance structures are designed for another era—our authorities are inflexible, and our processes are too cumbersome to effectively address today's security challenges in a timely manner. I urge your assistance in modifying the laws and regulations surrounding security cooperation and assistance to create a better coordinated, pooled-resource approach—the Global Security Contingency Fund. This approach would create a new business model we believe will lead to collaborative programs to respond to emergent challenges and opportunities. We should not allow bureaucratic resistance to trump operational effectiveness when security sector assistance is essential to our national strategy of helping others secure and defend themselves.

On this last point of interagency cooperation, I want to reiterate our commitment to comprehensive approaches to our security challenges that employ all elements of national and international power in coordination. Our future security concerns require a whole of government effort, not just a military one, and we serve best when we serve hand-in-hand with all of our partners and support, rather than lead, foreign policy. As such, we will work closely with the State Department and the U.S. Agency for International Development (USAID) to support their implementation of the Quadrennial Diplomacy and Development Review, particularly in the areas of conflict prevention and response. The capabilities and success of our interagency partners are inextricably linked to our own. As such, I reiterate my unequivocal support to Secretary Clinton and her efforts to fully resource the State Department's and USAID's activities and an expansion of its diplomacy and development capabilities, particularly in Iraq to support the transition from a military to a civilian-led mission. In addition, I support interagency cooperation programs and work to expand the number of exchanges between the Department of Defense and other Executive Agencies to institutionalize an enduring capacity to solve global problems using whole-of-government approaches.

CONCLUSION

In the upcoming year, our Armed Forces will build on the past year's achievements and continue to provide the common defense our Constitution directs with distinct honor and effectiveness. We will advance our ongoing efforts and maintain the credibility of our forces while learning, adapting, and preparing for new security challenges. We know that the military's role in national security will remain sub-

stantial, and the demands on our servicemen and women will be high. However, we also know that we can never let our actions move us away from the American people, and that the quality of our work and our personal conduct will say far more about who we are and what we stand for than anything else we do. In all of our efforts, we will maintain a strength of character and professionalism, at the individual and institutional levels, that is beyond reproach and continues to be a source of pride for our Nation.

Again, on behalf of all our men and women under arms, I thank this Committee, and the entire Congress, for your unwavering support for our troops in the field and their families at home during this time of war and for our efforts to maintain a strong, agile, well-trained, and well-equipped military that can prevail in our current conflicts and remain poised to deter or respond to new challenges.

Chairman INOUE. I'm pleased to note the extraordinary attendance of members of the subcommittee. However, as a result, I will have to limit the questions and answers to 4 minutes.

Secretary Gates, you have made a couple of public statements on how to achieve our President's \$400 billion reduction over the next 12 years. Instead of gutting the modernization programs, I know that you would prefer to see additional organizational reductions, in addition to changes in military pay, retirement, and the healthcare systems.

Do you wish to elaborate more on these ideas, and any other areas that might be reduced?

Secretary GATES. Mr. Chairman, the four areas that we're looking at in terms of how we would come up with \$400 billion in reductions are, first, as I indicated in my remarks, looking for additional efficiencies and changes in bureaucratic expenditures, and the way we go about our business, and the way we do business on a day-to-day basis. We think there is still more money to be extracted out of overhead, but also in negotiating contracts on acquisitions, and so on. So, the first category is—more cuts in overhead.

The second category is looking for marginal missions and marginal capabilities that can be eliminated. This would be in situations where, perhaps, two services have comparable capabilities, and we can get by having that capability in just one service. Or, there may be missions that we can set aside.

The third category is the hardest, and it's the one that Admiral Mullen and I both talked about in our remarks, and that is the comprehensive review to look at what are the options that are available in terms of making reductions in force structure, and what is the impact of that on the capabilities of our forces and our ability to carry out our strategies? And how do we adjust our strategies, and how do we evaluate added risk by reduced investment in defense?

One example of this, just to give you the flavor of what we're talking about—for many years we have had a strategy of being able to wage two fairly major regional conflicts simultaneously. If you tell yourself you're willing to accept the risk that won't happen, that two conflicts of that magnitude would not take place at the same time, but might be sequential, if you had to take on two others—then that has real impact for force structure.

I would just note that in terms of assessing risk, between 2007 and 2009 we, in fact, had two major regional conflicts going on simultaneously. So, this is not far-fetched in terms of risk.

The fourth category, then, is, are the issues that, frankly, are politically challenging, and that have been very difficult for us and

for the Congress to take on—working age retiree healthcare—and I want to make clear—none of us are talking about any impact on healthcare for the active force. This is about working-age retirees. Compensation—and particularly I would say in that respect, retirement, and whether the time has come to look at retirement.

I think we have two challenges on the retirement side. One is about 70 to 80 percent of our force does not stay in the service long enough to retire, but they leave with nothing. So, if you've served 5 years, or 10 years, or a dozen years, you walk out the door with nothing. That doesn't make any sense. The private sector is well ahead of us in that respect.

The second problem is, we get a lieutenant colonel or a sergeant first class with 20 years of service—they are at their peak, we are at their, they are at their prime—and we make it financially silly for them not to retire at 20 years. How do you incentivize them to give us another 5 years of service? I don't pretend to have the answers to these questions, but they are issues that I think we need to address both in terms of what's good for the force, but also in areas where we could save some money.

So, those four areas, Mr. Chairman, are the areas that we are looking at in terms of how we can find this \$400 billion.

Chairman INOUE. I thank you very much.

Senator Cochran.

Admiral MULLEN. Mr. Chairman, could I just make two brief comments?

Chairman INOUE. Please.

Admiral MULLEN. First of all, not unlike the Government itself, where the Defense Department has roughly one-half of the discretionary spending, inside our budget, a little more than one-half is discretionary. And so, while we look at reductions in the future in where we would take the funds, there are obligations that we have that we just fundamentally have to fund as we transition to whatever this new budget environment is going to be for us.

And then, second, if we don't come to grips with some of the most difficult issues, it is as clear as anything to me that the only answer is—we're going to get a lot smaller with a chance we could go hollow. We will give us force structure to sustain these benefits, to do all those things. And that, I think, is very dangerous in the world that we're living in, to meet the national, the growing national security requirements that I see.

Chairman INOUE. Thank you very much.

Senator Cochran.

Senator COCHRAN. Mr. Chairman.

Mr. Secretary, let me ask, in view of the situation in Libya, are we learning something about the ability of our allies, who volunteer to try to take up the slack in situations where we're not moving forward and trying to run a military operation? What are we learning from their capabilities or inadequacies that give you the most concern?

DEFENSE BUDGET CUTS AND NATO

Secretary GATES. Well, I addressed this last week in Brussels in my usual subtle form.

The reality is that, as they cut their defense budgets, and have been—have not been investing in their defense capabilities for a number of years, by default, the additional burden falls on the United States. So, I think that there is a genuine worry that our allies have looked to us to pick up the slack, as they cut their defense budgets. And the message that I had for them in Europe last week was that a, because of our financial problems—and, frankly, a growing number of Members of Congress who, for whom the cold war and our connection to Europe and to NATO are not in their genes, as they are for me, are going to be unwilling to pick up 75 percent of the defense burden of the NATO alliance.

So I think this is a serious problem. It's been a problem for some years. But, I think our own financial difficulties, and what we're now going to face in looking at the American defense budget, brings this issue to center stage in a way that it really has not been in the past.

Senator COCHRAN. Admiral Mullen, on the same subject, what affect does that specifically have on our ability to project power to other regions of the world—the Far East, for example, areas where we have been involved in actual combat operations, the Vietnam era, and what that brings in terms of expense of operations and training of our forces? Can you give us an assessment of the direct impact on the U.S. Navy?

Admiral MULLEN. Well, I share the Secretary's concerns and views with respect to the investment, or, the dramatically decreased investment in our NATO partners, or, by our NATO partners.

The affect, or, one of the affects that it's had is, it's certainly, they don't have the depth, the resources in some cases, to do what their political leadership has directed them to do. Although, I also would say that, both in Afghanistan and in Libya, NATO is more together than I've seen, in terms of commitment, over the course of the last 10 to 15 years. And, while they do get criticized, they also stood this operation up in incredibly quick fashion. We hadn't operated an air, had an air operation like this in a long time. And from my perspective, they have executed that well. The resources to do it is something we're watching very carefully. And they are, in some ways, dependent on us.

The other thing is, for countries who recently did their own strategic review, they found themselves getting rid of capabilities that, now that they're in a combat environment, they're giving second thought to that. Combat has a way of bringing that kind of reality to them—which just argues, for me, that we and others have to be very careful in our review, given the world that we're living in, about what capabilities we decide to either get rid of or trim back.

Longstanding—where we are right now—and in particular, I mean, as you talk about the Western Pacific, Senator Cochran—we're, we've got tremendous relationships with the Japanese, with the Republic of Korean military, we have had with our Australian friends, as well as growing relationships with the Association of Southeast Asian Nations (ASEAN) countries. And so, I'm actually pretty comfortable with where we are right now. We've got overseas home-ported forces—as you know, both marines and Navy—

in fairly significant numbers in that part of the world. And that makes a long, a lot of difference in terms of stability.

The pressure over time, though—it gets back to what I said—is, if we get into this force structure—part of us, in terms of the defense review—and have to reduce our force structure, there will be pressure there, which in the long run, I think, will start to undermine stability in a place like that.

Chairman INOUE. Thank you.

Senator Shelby.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator SHELBY. Thank you, Mr. Chairman.

Mr. Secretary and Admiral Mullen, thank you for your service.

Mr. Chairman, I'd like for my opening statement to be made part of the record.

Chairman INOUE. Without objection.

[The statement follows:]

PREPARED STATEMENT OF SENATOR RICHARD C. SHELBY

I want to join the Chairmen in thanking both of you for your years of dedicated public service. Mr. Secretary, the title of a recent book describes the job you will soon be vacating as “nearly impossible.” Yet, you managed to take the helm of the Pentagon at one of the most difficult times in our Nation’s history and succeed beyond all expectation. You successfully prosecuted a war in Iraq that many had assumed was lost. You have helped to oversee a surge in Afghanistan that, we hope, is turning the tide there, as well. Perhaps even more importantly, you have launched a much-needed battle to control defense spending in a responsible way that will help reduce our national debt while preserving our national security. All of these things you have accomplished while retaining the full confidence of two very different Presidents and the United States Congress. We all are duly impressed by your accomplishments, and owe you a sincere debt of gratitude for your service.

Admiral Mullen, you assumed the Chairmanship in 2007, also under very difficult circumstances, and have acquitted yourself admirably in the post. I have been most impressed by your powerful advocacy on behalf of those who wear the uniform. You have spoken repeatedly about the strains on the force from a decade of persistent conflict, and about the need to care for those who have been wounded, physically or psychologically, defending our Nation. You have also, properly, placed our financial stability on the table as a fundamental issue of national security. All would do well to remember your words as we try to get our debt under control. Many thanks to you for everything you have done for this country.

NUCLEAR WEAPONS MODERNIZATION PROGRAMS

Senator SHELBY. Mr. Secretary, last year you transferred about \$6 billion of your budget authority to the Department of Energy to pay for nuclear weapons modernization programs because, as I understood it, you’re concerned about the neglect that had befallen the U.S. nuclear deterrent.

How concerned are you, now that the House is considering appropriations legislation that we would cut the program by almost 10 percent from what the President requested and what you’ve already paid for out of your own very tight budget? And, what are the implications of failing to fund the modernization program here?

Secretary GATES. Well, I’m very concerned. And, as I recall, the actions taken by the House cut about \$1 billion from this modernization program.

This modernization program was very carefully worked out between ourselves and the Department of Energy. And frankly, where we came out on that, also, I think, played a fairly significant

role in the willingness of the Senate to ratify the new START agreement.

So, the risks are to our own program, in terms of being able to extend the life our weapons systems; to modernize them—not in the sense of capability, but in terms of security and reliability. And this requires new construction. We have a lot of buildings at Los Alamos that date from the Manhattan Project. And so, this modernization project is, in my view, both from a security and a political standpoint, really important.

Senator SHELBY. Mr. Secretary, in my short time—missile defense. I understand that the Defense Science Board has compiled a report on the concept of what we call Early Intercept for Missile Defense, and the report's unclassified conclusion is that the Missile Defense Agency (MDA) plans to achieve an early intercept capability as part of the phase-adaptive approach are simply not credible. This is disturbing to some of us, since MDA's promise to develop by 2020 an early intercept capability for the SOME-3 Block IIB was the central justification, as I understood it, of, to cancel the third site in Europe and to kill the KEI boost-phase defense program.

Now it looks like the Nation may be left without an inadequate—with an inadequate defense in Europe, and no boost-phase intercept capability.

Is the Department re-examining the phase-adaptive approach in light of the Defense Science Board? And should the Department be looking at ways to use funding currently programmed for this SOME-3 Block IIB, to improve the GMD system, or, to evolve more rapidly?

What's your thoughts on that?

Secretary GATES. We have resources in the 2012 budget to do both. To fund—

Senator SHELBY. That's good.

Secretary GATES [continuing]. The phased-adaptive approach, and to strengthen the ground-based interceptor (GBI) program. The 2012 budget buys 52 GBIs, both for deployment and for test purposes; it makes investments in upgrades to long-range radars in Greenland and the United States and Canada.

We also have money for developmental work in terms of other kinds of interception of ballistic missiles. But, I believe that the balance between the ground-based interceptor system and the money we are investing in that, plus the money that we are investing in the phased-adaptive approach—first of all, the latter will give us a missile defense capability several years earlier than would have been the case with the third site in Europe. And, let's be blunt. The third site in Europe was not going to happen, because the Czech Government wouldn't approve the radar.

Senator SHELBY. Sure.

Secretary GATES. And so, if it was going to happen at all, it would have taken years longer. And we still hadn't negotiated the required agreements with the Poles in terms of the interceptors. So, I think that the balanced approach between the GBIs, the phased-adaptive approach, and the developmental work we have underway, plus the additional half billion dollars we've added to

the budget for fiscal year 2012, puts us in a pretty good place on missile defense.

Senator SHELBY. Admiral Mullen.

MISSILE DEFENSE

Admiral MULLEN. Just very quickly—and while I am not exceptionally close to it in this job, I've been around missile defense for the last 15 years—and, the whole issue of boost-phase intercept is an extraordinarily difficult technical challenge. And, at least, if someone's broken through on that, I haven't seen that. It doesn't mean we shouldn't seek it, but I've seen an awful lot of efforts go after that. And I was very supportive of the program adjustments that we made—particularly with respect to that, because I thought, my view was, I thought we were throwing good money after bad.

Second—and I haven't seen this report, I'll take a look at it. And I certainly, I would not, without, push back on it. The only thing I can say is, the path through the standard missile is the most well-developed, robust, reliable path over time, with respect to developing missile defense. And it's, we're still almost a decade away. And I have confidence that we can continue to pursue that path. It's an incredibly well-tested system. The missile you're talking about, I know, doesn't exist yet. But, it's a path that—

Senator SHELBY. But it could exist, couldn't it?

Admiral MULLEN. Huh?

Senator SHELBY. It could exist.

Admiral MULLEN. No, I think—yes, sir. I think we can get there in that timeframe, based on my understanding.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

I want to join the others who have thanked you for the extraordinary service you've both shown to this country. You came to your roles at very challenging time.

Admiral Mullen, I appreciate our friendship, and your trip to Vermont, you and Mrs. Mullen, when you joined Marcelle and me up there to meet with our troops when they were deploying.

Secretary Gates, I've told you before, but I'll say it here publicly. I've enjoyed our friendship of, it must be about 30 years now.

With that said, unfortunately there's one issue we don't all agree on, and that's the war in Afghanistan. I think like most Americans—certainly most Vermonters I talk with, and an increasing number of Members of Congress—I think we have to dramatically accelerate our withdrawal of troops from that country.

I supported going into Afghanistan for the purpose of getting Osama bin Laden after 9/11. And the subcommittee and all of us here on the Appropriations Committee have been strongly supportive of that.

I did not support the invasion of Iraq, which distracted us from that goal. Iraq had nothing to do with 9/11, and we'll be paying for this cost for years to come. We borrowed the money to go into that war. It's an extraordinary thing in a war—to borrow the money. We're still borrowing the money. At the same time, we gave a tax cut for anybody who makes as much as a Member of Congress. So,

what we said was, we'll let our children and our grandchildren pay for these two wars.

I don't think we can continue to sacrifice so many lives and spend billions of dollars a week in a war with no end. I think we have to identify achievable goals in Afghanistan. I think we have to reduce our military footprint there.

And then we look at Pakistan. Well, just this morning we see word that our putative ally arrested five people on the suspicion that they helped the United States to get Osama bin Laden. After publicly saying, of course, they wanted us to get Osama bin Laden, they arrested people who helped us get him.

AFGHAN GOVERNMENT

Now, we could overlook the problems probably in Pakistan if the Afghan Government was any better, but we have President Karzai, who can't seem to make up his mind if he's on our side or the Taliban. We support them with our tax dollars when at the same time we say we've got to privatize Medicare, eviscerate education funding, shred social safety net here in this country, and stop all the investments that might make our industries more competitive.

It's not a criticism of our military—I've visited them there. They are performing extraordinarily well, under very difficult circumstances. But, how long do we support governments that lie to us? When do we say enough is enough?

Secretary GATES, I'll start with you.

Secretary GATES. Well, first of all, I would say, based on 27 years in the CIA and 4½ years in this job, most governments lie to each other. That's the way business gets done.

Senator LEAHY. Do they arrest—

Secretary GATES. And we ought to—

Senator LEAHY. Do they also arrest the people that help us—

Secretary GATES. Sometimes.

Senator LEAHY [continuing]. When they say they're our allies?

Secretary GATES. Sometimes.

Senator LEAHY. Not often.

Secretary GATES. And sometimes they send people to spy on us. And they're our close allies. So—

Senator LEAHY. And we give aid to them.

Secretary GATES [continuing]. I mean, that's the real world that we deal with. But I would tell you this. First of all, this is not a war without end. The Lisbon Summit has made clear that the transfer to Afghan security responsibility and leadership will be complete not later than the end of 2014. Troops will be coming down during that period. The costs of these wars is coming down dramatically. The costs of these wars will drop between 2011—fiscal year 2011 and 2012 by \$40 billion, and between 2012 and 2013 probably by several tens of billions of dollars more.

And I asked the question—first of all, I think the prospects of having a more stable Afghanistan, in terms of a country that can defend itself—I'm not talking about a Vermont democracy here, but a country that can defend itself—

Senator LEAHY. Neither am I, Mr. Secretary, and you know that.

Secretary GATES. I know. But what I'm talking about is, we are not in the business of nation building. What we are trying to do

is build the Afghan National Security Forces to the point where they have the ability to defend that country, and so that the Taliban and Al Qaeda cannot reconstitute themselves in that country. And I think we are making considerable headway in that respect.

So I think that—I know people are frustrated. The country's been at war for 10 years. I know people are tired. But people also have to think in terms of stability and in terms of the potential for reconstitution. What's the cost of failure?

PAKISTAN

Senator LEAHY. Do you want to add to that, Admiral Mullen?

Admiral MULLEN. What I would talk about, I think, in this, Senator Leahy, and you know I've talked about this many times, is Pakistan. And we are in the midst, and have been, of trying to, in the middle of this war, with threats that they have in their territory, trying to build a relationship that was badly broken when we left the last time, when we terminated our relationship with them in the late 1980s and early 1990s. And we are back. And it's actually my belief that if we—if we were to do that again, it may not be 5 years or 10 years, but we'll be back in a much more difficult situation. And so seeking to support stability in that part of the world to the degree that these two countries can evolve is, I think, a goal that we must continue to pursue—or the danger associated with a country that's got a nuclear arsenal, that is an—that lives next to a country that they view as an existential threat, it's just a matter of time before we're back.

So I don't—I don't push back on the challenge associated with it. Some of the criticism is more than warranted. Nobody's worked that harder than me, very frankly, with the leadership. And it's a—it's a conscious decision I think that we have to make. And if we walk away from it, it's my view it'll be a much more dangerous place a decade from now, and we'll be back.

Chairman INOUE. Thank you very much, Senator.

Senator Coats.

Senator COATS. Thank you, Mr. Chairman.

RUNAWAY DEBT AND DEFICIT

I can't speak for other States, but I can speak for the people of Indiana, who are grateful for your lifetime of service—not only commitment to public service, but execution, brilliantly, in your jobs. You've been a model for us. And I thank you, and I know the people of Indiana thank you.

Second, I would like to, I guess, just reaffirm that, Secretary Gates, your statements about one of the greatest, if not the greatest, threat to our future security is a runaway debt and a trillion dollars deficit on an annual basis, and that, if that is not addressed, even the difficulties and scale back of, ability to respond to challenges around the world that won't go away, are potentially reduced—that's nothing in comparison to the strains and stresses that will be placed on our ability to do that in the future if we can't get ahold of this runaway debt and deficit. So, that ever shrinking part of the pie that goes to discretionary and defense spending is

going to keep shrinking if we don't deal with mandatory spending. And I appreciate you speaking out on that basis.

HEALTH RESEARCH

A question that I have goes to where possibly we can get some savings. I note that the House Appropriations Defense Subcommittee passed out a bill which includes research on a number of health issues: \$223 million cancer research, \$125 million for traumatic brain injury, \$30 million for orthopedic research, \$15 million for restoration of health research.

I'm just wondering, are there savings that—that's \$393 million. That's a long way from \$400 billion, but it's a fairly good chunk of money. Are there savings possible in that category where there is duplicative research, paid for by Government or conducted by the private industry, which addresses the very same issues?

In the past, Defense has kind of been a go-to place for health research that, in many cases, is duplicated elsewhere. For instance, orthopedic research. I mean, our State is the leader of the world in orthopedic research. Some of the, all the leading technology and so forth comes out of the private sector for that. I don't know exactly what the military does in addition to that, but, I guess the question is, are there places like that we can get some—you know, I know it's the holy grail not to touch anything having to do with health of service members. I'm not suggesting that. I'm simply saying there may be some duplications there that we ought to be looking at.

Secretary GATES. I think, you know, any of these things are worth looking into in detail. But, and I can't speak to the cancer piece of it, but I will say this—I think that we have funded some of the leading research being done in the country on traumatic brain injury, and probably also on prosthetics, and almost certainly on post-traumatic stress. The Congress has given us quite a bit of money in those areas in particular. And I would argue that, in terms of the practical applications of those things, as opposed to pure research, that those funds, I think there would be a strong bias to keeping those in the Defense budget, because we have a very direct interest in making sure that there is progress in, particularly, those three areas, because those are the areas in which our service members are suffering the most in these wars.

NATO

Senator COATS. I'll accept that.

I've got 4 seconds left, so a quick yes or no. Is a hollowed-out NATO worse than no NATO? The reality that NATO just is not stepping up to its responsibilities—we're going to have to do it all anyway?

Secretary GATES. Well, I would say that a NATO that has reduced capabilities is still better than no NATO at all. And, I'd just add one point to the chairman's comment—to Admiral Mullen's comment earlier. One of the things that has happened to our allies is that they really have stepped up in Afghanistan. But, the result of that has been that the costs of their participation in Afghanistan has brought further pressure on the modernization budgets of those European countries. And so, it's contributed to their overall nar-

rowing of military capability, but partly it's because of the contribution that they've made in Afghanistan.

Senator COATS. Thank you.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman.

Secretary Gates, Admiral Mullen, again, like all of my colleagues, thank you for your service. I think the enormous turnout of members, and also the fact that we're actually staying—staying longer than you—is a tribute, really, to the high regard that we regard your service, and your service, Admiral Mullen. So, we want to thank you for it from the incredible job that you've done keeping America safe, your strong support for the military, your many trips to actually get out of Washington and listen to the troops and talk to our allies.

And for me, one of the special things was the way—always, always, will be the way you responded unflinchingly with the Walter Reed scandal, in the way you took ownership, the way you ensured accountability and responsibility and corrective action. And I want to just thank you for that.

And I've just watched you with the troops, not only in uniform and so on, but in things like the Army-Navy game, where you mingled with them. And the wounded warriors had such access to you, and the way that they felt that they could approach you and talk to you, and the warmth and regard you have. So, I think that's what a real inspirational leader is, which is the difference in management.

But let me tell you, your trips, your farewell trips and speeches you've given, have been eyebrow-raising, jaw-dropping, and for me, a must-do list, from the Eisenhower Library speech in which you called for major fiscal reform, to the most recent one at NATO. You've dropped more bombs in some of these than the Air Force.

But, let me get to my questions. I'd like to, really, follow up on, really, the questions raised about NATO. And many of this will have to be done with your successor. What is NATO? What are we going to require of NATO members? What actions should NATO undertake? When we ask for a coalition of the willing, we're going to need a coalition of the capable. Or, are we ever going to ask that again?

But, let me go to something very specific, because those are big policy questions to be sorted out. I wonder what your thoughts are on an overseas base closing. And, is this the time where we look at the major policy and make sure we don't have a hollowed-out NATO? Is it time to have an overseas base closing, where we bring a lot of assets home, close assets, and so on? What would be your thought on that? Because, I think we spend about, the President's Commission on Deficit Reduction said we could save about \$9 billion in that area.

Secretary GATES. Well, first of all, any overseas base reductions will necessarily—first of all, just the practical thing—overseas base reductions would require Milcon here in the United States, so there would be—at least in the beginning it would be more expensive to bring them home than to leave them where they are, because they

have facilities already built. And we do get support from the Germans, the Japanese and the South Koreans in supporting those facilities.

Senator MIKULSKI. I'm not advocating closing all bases—

Secretary GATES. I understand.

Senator MIKULSKI [continuing]. But that kind of scrub we do here.

Secretary GATES. Well, we've just been through that in the Department of Defense, and it's now working its way through the interagency in terms of an assessment of our global posture and our presence in a lot of these different places. Secretary Clinton and I will meet with the Japanese the first of next week in our periodic two-plus-two meetings to talk about Okinawa and Guam, and Japan, and the force presence there.

I think that the biggest policy question that I think has to be asked is—what kind of a signal do you want to send the rest of the world, in terms of America's role in the world? And, if we, at the same time, we're cutting our Defense budget, and we cut our State Department budget, and State has fewer assets to deploy abroad, we have fewer assets to deploy abroad, and then we begin to close one or another foreign base, are we basically sending the message to the rest of the world—and, I would say, to China, to Iran, to North Korea, to a variety of other places—the United States is closing up shop and going home, and we're headed toward Fortress America again?

So I think this, as I leave, I think this is a huge question for the country to consider, and for you to consider, is, what kind of a role do you want for the United States in the world? And frankly, I believe, for example, our presence in Europe, if—one of the benefits it has brought, in addition to the financial benefit of having troops be able to rotate from Germany into Iraq and Afghanistan at, actually, less cost than from here—but, one of the things it has brought is, if anything, it has slowed, I think, this deterioration of the NATO military capabilities.

Senator MIKULSKI. Because we're there—

Secretary GATES. Because we're there and we train—

Senator MIKULSKI [continuing]. They feel we're glued together?

Secretary GATES. We train with them and we work with them. And they have to have capabilities that match us when we're doing that.

Senator MIKULSKI. Mr. Chairman, may Admiral Mullen respond?

Admiral MULLEN. Just very briefly—and maybe it's just because of my roots, and I'm a Navy guy—there's just nothing like being there. And you can be there a couple of ways. You can live there, or you can rotate there. And what I have found in our relationships—I just came back from Egypt, and we've had a long relationship with Egypt—but, the mil-to-mil relationship we have with Egypt is different than the one we have with Japan, because we live with Japan. We interact with their families. We know the Japanese people in ways that we just don't know other countries. The same is true in Germany. The same is true in the Republic of Korea. Extraordinarily strong relationships. When we are in a crisis, we can use those relationships, I think, to prevent a crisis, or prevent escalation.

So, I don't know if—I certainly wouldn't say that it isn't worth a scrub. I just think the presence piece of this is so powerful in so many ways, and it's enduring, and it prevents conflicts in ways that sometimes we don't think about in the short term, when we're looking for savings in moves. It's not—our investment is significant. I understand that. And, worth a scrub. I just think we really need to be careful.

Senator MIKULSKI. Thank you.

Chairman INOUE. Thank you.

Mr. Kohl.

Senator MIKULSKI. Mr. Chairman, I just want to, if I could. If I could submit questions for the record, both in terms of military health care and, quite frankly, in the follow-up, in the undersecretary of acquisition, technology and logistics. That's \$400 billion. The House is dragging its feet. They've reinvented earmarks. And I'd like to have, maybe, three to five items out of that area, where you think we should definitely stay the course in reducing our expenditures.

And, I hope somewhere we can get a chance to ask his opinion on the House and earmarks.

Chairman INOUE. We will discuss that.

Senator Kohl.

Senator KOHL. Thank you, Mr. Chairman.

AFGHANISTAN

Secretary Gates and Secretary Mullen, we thank you for being here today, and we congratulate both of you on a job well done. Your leadership has been critical to the progress that we've made in Afghanistan, Iraq, and in the global war on terror, most recently the death of Osama bin Laden.

In light of this progress, many Americans are hoping that our forces can soon come home from Afghanistan after a decade of war. I share this desire to begin withdrawing our forces from Afghanistan, beginning with a sizable and sustained reduction in forces this summer.

I'd like to ask both of you about the government of Afghanistan and President Karzai. President Karzai seems increasingly hostile to the American presence in Afghanistan, and his government, as we know, is plagued by corruption.

My first question is whether you see President Karzai playing a positive or a negative role in Afghanistan.

But I'd also like to hear from both of you about what comes after Karzai. Presumably he'll not be President forever. What kind of relationships are we building with Afghan leaders from other political parties and ethnic groups, both in power, as well as in the opposition?

Mr. Secretary.

Secretary GATES. Well, first of all, I have spent a lot of time with President Karzai over the last 4½ years. Frankly, I think that we have often not done a very good job of listening to President Karzai. The problems that he often raises in public are problems that he has often raised with us 1 year or 2 years before in private. And, I'll give a perfect example—and that's private security companies. This became a crisis in our relationship late last year. We've

worked our way through it, and he has participated in working his way through, in our working our way through this.

But we knew from Iraq that private security companies are a problem in these countries, and we should have begun this transition to Afghan oversight of these companies a long time ago. So, my point is—yes, he reacts publicly to things that are done and said. He's very sensitive to civilian casualties. This has been a continuing theme. It's not a surprising theme. But, I think you would find, if you talked to our commanders, if you talked to the people that I talk to, he is somebody who understands the campaign plan, who understands the importance of our role, who wants a long-term U.S. relationship with Afghanistan after he's President. He told me he plans to step down in 2014.

I will tell you, both our military people and our diplomats are in touch with a very broad range of Afghan leaders—and not just in Kabul, but all around the country.

And finally, on the governance side, I would just say, at the NATO Defense Ministers meeting late last week, the NATO senior civilian representative, Ambassador Gass, reported that—he had just gotten back from Afghanistan—75 percent of deputy district governors now in Afghanistan are chosen on the basis of merit. And he told the defense ministers further that, as the provincial governors change, the quality is steadily improving.

So, I think you have the Kabul environment, and you have the outside of Kabul environment. And, frankly, it's a lot better outside Kabul, in terms of what's going on around the country and in terms of governance, than is often reported.

But it's a relationship from, where we're dealing with a President whose country has been at war, like us, for 10 years. And, he is very sensitive to the fact the Afghans are exhausted with war, too. And so, I find that, when I sit down with President Karzai, we have a very productive conversation. And it's clear that he buys into what we are trying to do, and that we are allies, not occupiers. And he also does see a post-2014 relationship with the United States going forward.

Senator KOHL. Admiral Mullen, any comments?

SECURITY ENVIRONMENT

Admiral MULLEN. The only thing I'd add is, as the security environment continues to improve—and I'd reemphasize what Secretary Gates said in terms of what we're seeing on the ground—in subdistricts and districts and provinces, it's getting better from a governance standpoint which, between security and governance, gets you to a point where you can start to develop the areas, which is really what the Afghan people care about. They're tired of war.

There is this disparity between Kabul and what we see locally throughout the country. And we have to continue to engage. This is the elected leader of a country we're heavily engaged in, or, with. And, we can't do it without decent governance. We can get the security pieces necessary, but it's not sufficient, and we have to continue to push on better governance, the reduction of corruption, and the development piece of this. We're just getting to point, from my perspective, in the south, where security has gotten to a point where those other pieces can really start to kick in. We're not there

throughout the country. But, from an overall proof of concept, if you will, that this approach is having the impact we thought it would, we're there.

Secretary GATES. The other, one other point I would make is, having talked about the rest of the country being better in some respects than Kabul, in another respect, Kabul is a model, because the Afghans have had the security lead in Kabul for over a year now. And that's the transition we're trying to make throughout the rest of the country on a district-by-district, province-by-province basis. And at this point, about 25 percent of the Afghan population live in areas that are now under Afghan security lead.

Senator KOHL. Thank you.

Chairman INOUE. Thank you.

Senator Alexander.

Senator ALEXANDER. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, Admiral Mullen, for extraordinary public service.

Mr. Secretary, for the historical record, for young people who may be planning a career in public service, what's better preparation for Secretary of Defense—president of a big university, or director of the CIA?

Secretary GATES. President of a big university.

As you well know.

Senator ALEXANDER. Yeah.

Mr. Secretary, how many, about how many military men and women do our European allies have?

Secretary GATES. About 2 million in uniform.

Senator ALEXANDER. About how many are available to be deployed in an exercise like Libya or Afghanistan?

Admiral MULLEN. I would guess, Senator Alexander, it would be in the 10 to 15 to 20 percent in terms of—

Senator ALEXANDER. Twenty percent?

Admiral MULLEN [continuing]. Any single time. But that number can be very deceptive because, for all of us, we find out—we have 2.2 million men and women Active and Reserve, and we have about 250,000, almost 300,000 people deployed around the world right now. And we're going at a pretty good clip.

Senator ALEXANDER. I thought I'd had heard somewhere that they might only have 25,000 or 40,000 troops available for—

Secretary GATES. What you heard was in my speech last week, where I said they'd struggled to maintain 25,000 to 40,000 troops in Afghanistan.

Senator ALEXANDER. Mr. Secretary, in the gulf war, the first Iraq war, if I remember correctly, other countries paid for a large part of that. How much of that did they pay for?

Secretary GATES. Virtually all.

Senator ALEXANDER. Yeah. In the Iraq, Afghanistan, and Libya war, how much have other countries paid for?

Secretary GATES. Well, the other countries are essentially paying their own way, in the sense of they're paying for their own airplanes, and they're paying for their own munitions, and things like that.

Senator ALEXANDER. But, the United States is paying for virtually all of Iraq, Afghanistan and Libya. Is that right?

Secretary GATES. Well, not Libya. But, we certainly have paid the bulk of the money in Iraq and Afghanistan.

Senator ALEXANDER. And was your testimony that, in NATO, the United States is supposed to pay what percent of the costs? And what percent do we actually pay?

Secretary GATES. Well, the line that I had was that, up until about, well, until the end of the cold war, we paid about 50 percent of the military costs of the alliance. Since the cold war, that has—since 1991, that has risen to about 75 percent of the total military expenditures in NATO.

Senator ALEXANDER. Is there a lesson for this President and future Presidents, this Congress, as we look back at the gulf war and as we prepare for any future military action, that we might keep in mind not just getting approval of other countries for the, agreeing that we ought to take the action, or to join with us and take the action, but to do as was done in 1991 and 1992, to actually get their commitment to help pay for it?

Secretary GATES. Well, I think you, we can look at that two ways. One is, the answer is absolutely yes. One of the things that I pointed out last week at the NATO Defense Ministers meeting is that the trust fund to support the Afghan national security forces going forward is, in terms of the dollars or Euros that have been contributed, is a joke, because it's about 350 million Euros at a time when the United States is spending billions of dollars to support the development of those military forces. So, one of the things that I have talked to all of our allies about is the fact that it's imperative for them to contribute to that trust fund.

On the other hand, the circumstances of the gulf war were, I think, unique, in the sense that the countries we were dealing with that felt the most threatened were Kuwait, Saudi Arabia, the gulf states and so on. I will tell you that, sort of looking back, the two people who led the groups, the teams going around to talk to our allies about their contributions were led by Secretary of State Baker and Secretary of Treasury Nick Brady. And, somehow through the luck of the draw, Baker ended up with Saudi Arabia, Kuwait, the gulf states, and so on, and Nick Brady had to go talk to the Japanese, the Germans, and others. And, let's just say, Nick wasn't nearly as successful as Jim was.

Senator ALEXANDER. Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Senator COLLINS.

Senator COLLINS. Thank you, Mr. Chairman.

Mr. Secretary, since this is your last hearing, it seems ungracious to do anything except thank you and heap praise upon you for your service. But since you're before a group of senators, of course, while we'll do that, we'll also ask some questions. But, I do sincerely thank you for a lifetime of public service that has made an extraordinary difference to our country, and to our troops, in particular.

I'm very concerned about the \$400 billion that the President has assigned the Department of Defense for additional cuts. You have already made a tremendous effort to squeeze out waste and inefficiency, and to reduce unnecessary spending. I'm concerned that we could end up with the kind of hollow force that you've warned us

against, and that was so devastating to our troops, and our security, potentially, in the 1970s, and to a lesser extent, two decades later.

Were you consulted by the President or OMB on the size of the target—that \$400 billion that has been assigned to the Department of Defense?

Secretary GATES. I was informed about it the day before it was announced.

Senator COLLINS. My concern, Mr. Chairman, is, I believe that military requirements have to drive the budget, and not the other way around. And—

Secretary GATES. I will say this, though, Senator. When I was informed, I did get immediate agreement that this—before any specific budget decisions were made—this comprehensive review that the chairman and I have been talking about, would be carried out, that we would present options to the President and to the Congress that shows relative levels of risk of different kinds of cuts and changes in the force structure. So, there was agreement immediately to that review before specific decisions were made.

Senator COLLINS. Thank you. It still seems backwards to me, as far as the targets given. You're going to assess the risk of various scenarios to meet the target, but that, to me, is the opposite of the way we should be proceeding.

Admiral Mullen, let me switch just quickly to Libya, and ask you a question. I personally have a lot of concerns about our involvement in Libya and the transition from it being a humanitarian exercise, to the goal of having Colonel Gaddafi leave and relinquish power.

Let's assume that that does happen, that Colonel Gaddafi does give up power. The Transitional National Council is made up almost exclusively of the eastern Libyans, I'm told. And I believe it's a real question, whether or not that council could effectively govern the country, given the intense regional rivalries and tribal nature of Libyan society. But also, I'm concerned that we're not really certain who we're dealing with.

Do you feel confident that we have a plan for what we would do post-Gaddafi?

Admiral MULLEN. Just having come out of both Egypt and also Europe last week, I'm actually encouraged that there are countries and organizations, NATO being one, that are very specifically looking at—What after Gaddafi? Because I think we need to do that.

I'm more encouraged, more confident that the more we learn about the TNC—and in fact, I also see them now linking to the West more than they had in the past—that there are, you know, civilian leaders and military leaders who recognize the challenge that you just described.

What I don't, or, I just haven't seen yet, is the kind of comprehensive collective view of how they would run the country. I think they recognize that internally. Their focus on this is improving, but I think we're sort of at the beginning of that, and that there is an awful long way to go. So, I'm more positive than I was a few weeks ago. There's an awful lot that's being brought to the table in terms of international focus on this from our government,

as well as many governments. But I still think we've got a long way to go.

Secretary GATES. One of the actions taken by the NATO defense ministers last week was to resolve that NATO would not be in the lead in any kind of a transition, but also that the Secretary General would be in communication with the contact group and the United Nations, and tell them that it's our view, as NATO Defense Ministers, that the planning for this transition should get underway now—not wait until Gaddafi falls.

Senator COLLINS. Thank you.

And thank you both for your service.

Chairman INOUE. Thank you very much.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Gentleman, thank you both for your service.

Secretary Gates, I, too, echo the high praise that we all have for you and for your efforts.

Speaking about Afghanistan now, going back from Libya here—as we deal with the reality of a drawdown coming ahead, and the numbers, and all the discussion that goes on there, I'm going to make it a little more parochial. We had several thousand troops with the 1st Stryker Brigade Combat Team of the 25th Infantry up in Fort Wainwright just deploy. They moved out just this past month. And the concern that I'm hearing from some of the folks up North is, well, okay, we want to be in that phase where we are withdrawing and coming out of Afghanistan. But we're concerned that our loved ones, who have just now gone in, are going to be on the back end of that withdrawal, so you will have these forces moving out.

You've mentioned that between now and 2014, the amount of money that we will see going into Afghanistan will be, sounded pretty dramatically reduced. What assurances can you give to those who are just now going into Afghanistan, and who will be there through the end of this next year, that their situation is not increasingly riskier?

Secretary GATES. I would make two points. First of all, the reduction in cost in Afghanistan, beginning in fiscal year 2013 and beyond—so fall, let's say, of 2012—is, really correlates to the level of troop drawdowns. And so, the amount of money that is saved is associated with the number of troops that we have in country, not by any skimping on the support—

Senator MURKOWSKI. Okay.

Secretary GATES [continuing]. Or the enablers that we have there to support the troops we have.

Second, I have had conversations with the President about this, and I will tell you that he and I are both committed that, whatever decisions are made, the foremost consideration will be to ensure that whatever steps are taken do not put the troops that are leaving at greater risk, or the troops that are remaining at greater risk.

Senator MURKOWSKI. Okay. I appreciate that.

Let me ask you a question about Guam. In light of where we are with the budget issues, you responded to a question about, to Senator Mikulski, about the overseas bases in Europe. But, in light of what we're seeing with the tightening budgets, can we expect any

significant changes, perhaps in the current direction, with regards to the buildup in Guam? Are we going to meet that 2014 completion date, that target that has been set, given what the cost estimates are at this point in time?

Secretary GATES. Senator, in all honesty, as I mentioned earlier, Secretary Clinton and I will be meeting with the Japanese on Monday and Tuesday, and quite honestly, I'll have a better answer to your question after we have that meeting.

Senator MURKOWSKI. Okay. We look forward to that.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you very much.

Senator Murray.

Senator MURRAY. Thank you very much, Mr. Chairman.

Secretary Gates, Admiral Mullen, it's been a great pleasure to work with both of you, and I want to thank both of you for your tremendous service to this country. It is very much appreciated at a very challenging time.

And Secretary Gates, I look forward to you coming home to our home State at some point, and continuing that relationship. But, I know you must be looking forward to that.

Secretary GATES. Fifteen days.

Senator MURRAY. Hopefully, the weather's better when you get there than it has been.

Secretary Gates, last Friday, I visited the National Naval Medical Center up in Bethesda and had an opportunity to talk with a number of our wounded warriors, and their providers and caregivers. And as you well know, many of these service members have sacrificed life and limb in Afghanistan, and we, as a country, are going to be taking care of them, and their families, not just today, not just when they return home, for but a lifetime.

As chairman of the Senate Veterans Affairs Committee, I take this issue very seriously, and I've been trying to draw attention to some of the all too often unseen costs of war, and thinking about how we should consider that as part of our decision in any long-term conflict.

I think you know the major components of this long-term war have had real and significant impacts. Death from suicides among veterans and service members from the war are now on par with combat deaths; many of our warriors are facing difficult challenges with mental healthcare, as you well know, when they return home; and a lot of our service members have served now not just two, three or four, but sometimes even five times, and the costs of these are real.

So, while we all talk a lot on this subcommittee about rebuilding projects, and Afghan aid, and military resources, and all the costs and components of a defense system, I wanted to ask you today what you and the Pentagon consider to be the biggest costs of this war to our wounded warriors and their families—particularly, those costs that we'll be paying for for a very long term; and whether that is ever considered in, those costs are factored in, when we are making decisions about drawing down in Afghanistan.

Secretary GATES. I would, I mean, I think it is self-evident that the costs are exactly as you've described them, in lives that are

shattered, in bodies that are shattered, in minds that are shattered.

I would tell you that one of the things that we've done over the last 2 to 3 years is to ensure that all of the funding that we have gotten in the past in supplementals and overseas contingency operations, dealing with family programs, and with some of the medical research we were talking about, and care for our wounded warriors—that all of that money has been shifted into the base budget, knowing that we will deal with this problem for many, many years to come. So, from our part—in addition to Virginia—we have tried to make sure that these, the funds for these programs have been protected, and will be protected in the future.

But it, I cannot say that decisions in terms of drawdowns or military strategy are made bearing in mind the cost of the soldiers and sailors, airmen and marines, who suffer. It is on the minds of everybody who makes those decisions. But, by the same token, it is the nature of war, and it is, frankly, one of the reasons why, as I told an interviewer a couple of weeks ago, I feel like I've become more conservative, more cautious about when we use force, because I've seen the consequences up front.

But Admiral Mullen has devoted a huge amount of effort to this. He probably ought to say something.

Senator MURRAY. Admiral Mullen.

Admiral MULLEN. Senator, first of all, I just appreciate your leadership on this because it has to, it has to have a voice. And, I actually believe we're just beginning to understand the costs.

Your units—very specifically, I'll use Fort Lewis. I mean, we're now, we have more soldiers and airmen at Joint Base Lewis-McChord than we've ever had, and they're going to be home for a couple of years. Many of those units have had only 1 year between deployments up to now. Now, they're going to have two. And, I think they've been compartmentalizing challenges, and they're going to start unpacking that. And it's going to be pretty tough now, that we're back home, and addressing, the leadership focusing on addressing the challenges that will come with that.

Medically, in the PTS-TBI world in particular, the more quickly we get at the problem, the less likely the damage, or, the damage is reduced significantly. And yet, there's still a great deal on the TBI side that we don't understand.

Senator MURRAY. And it's changing, by the way.

Admiral MULLEN. Right.

Senator MURRAY. When soldiers are home after 3 years, and we're finding the impacts are different 3 years later—

Admiral MULLEN. Right.

Senator MURRAY [continuing]. And they're coming back into the system.

MILITARY FAMILIES

Admiral MULLEN. Right. There are time bombs set up that we know are out there. We just don't know when they're going to go off.

The relationship that the Pentagon has with the Veterans Administration (VA) and with communities throughout the country has got to get stronger. And we've worked that in ways to try to

focus on that. And where you and Chairman Inouye and others can help is, when we get into budget crunches like this, this incredible amount of money that we put into family programs, into medical research—it's some of the first money that budget types like to take out, historically. We like airplanes before we would keep our family programs intact. That's something the Secretary of Defense and I have talked about. And, unless we watch that very carefully, it will not be there when we need it. And so, we have to have it in a way that it is sustained over time. Because I think these costs are longstanding. We don't understand them as well as we should—not just for our members, but also, for our families. We see that time and time again.

Our families have become as much, almost as much as part of our readiness, as anything else. And it wasn't that way 10 or 15 years ago. Always critical. But, without them we would be nowhere in these wars.

And so, leaders have to continue to focus on—what are these costs? And, I thought you said it very well—It is to repay this debt for the rest of their lives. And we need to stay with them, so that we understand what that means.

Secretary GATES. I would just say that I've told the service secretaries and the chiefs to fence two areas in all of these budget exercises that we're going through. One is training, and the other is all of our family programs, that I don't want any money taken out of those.

Senator MURRAY. Well, I appreciate that very much. And I do think we have to really seriously be considering this, because it does impact our troops today. But, it also impacts our ability in the future for the next big one, if we've depleted all of our resources, and we are not taking care of our folks.

Admiral MULLEN. The other thing—and I know that you know, Senator Murray—is, we are, we did it in Vietnam, and we are doing it again. We're generating a homeless generation; many more homeless female vets, because they're now, I think a quarter of a million have served in Iraq and Afghanistan incredibly well. And if we're not careful, we'll do the same thing we did last time—and we'll pay for them long-term, when an up-front investment would really make a difference right now. Everybody's got to be—

Senator MURRAY. Because we're about to make some of the same mistakes we made after the Vietnam war.

Admiral MULLEN. We are.

Senator MURRAY. And this country will be paying for it 20 years from now.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Senator HUTCHISON.

Senator HUTCHISON. Well, thank you, Mr. Chairman.

And I will add to what has been said already. Washington State's gain is Texas' loss. We would take you back in a heartbeat if you would come, because you did a great job at Texas A&M, and the Bush Library and School.

MILCON BUDGET CUTS

I want to go back to Senator Mikulski's line of questioning. We have had an overseas base closing commission. And after the last American BRAC, we had the overseas BRAC that was going in the same track, and it was decided to bring 70,000 troops back from certain foreign locations—Germany and Korea especially, and then Guam, of course, in question. And now we are looking, Mr. Secretary, at a Fort Bliss military construction project that has just been completed this year, that would take one of the BCTs that was designated to come back from Germany—it is prepared and ready for taking that BCT from Germany. But, the Department changed the previous decision that was going to bring back two BCTs from Germany, to just basically say, we're not sure yet. So, you've got the Milcon that has been done in America—about \$450 million worth—to take one BCT back, and on the five-year plan for military construction, there is \$1 billion to be done in Germany. Germany contributes 7 percent of the cost of our Milcon, as compared with Japan, that contributes 40 percent.

So, I would just ask you, as you are leaving in your last 2 weeks, if you can give serious consideration to the fact that we don't get an effort from Germany—\$1 billion of military construction for changing Army headquarters and bases—couldn't that money be saved, rather than saving it out of either personnel, or healthcare, or weapons systems that would modernize for our troops in America? Can't we take \$1 billion out of Milcon that was supposed to be taken care of in a previous administration? It just seems like there's a disconnect from what Senator Mikulski was suggesting, and what seems to be an opportunity here.

Secretary GATES. The President's decision on the posture in Germany was that we would come down from four brigade combat teams to three. Where the uncertainty is, is in the Army, in terms of whether that fourth BCT in 2015–2016 is simply disbanded, or whether, in fact, it comes back to the United States. The only Milcon that I'm aware of in Germany is the consolidation of command, control, communications, computers, and intelligence at Weisbaden. The original budget for that was \$482 million. One-half of that has already been spent. There is no money for it, as I understand, in the fiscal year 2012 budget, but then, there is about another \$150 million between 2013 and 2016.

So, we'll go back and take another look at that piece of it. But, the decision was not made just by the Department of Defense, but by the President—that we would, in fact, come down by one BCT in Germany.

Senator HUTCHISON. The original proposal was two.

Secretary GATES. Right.

Senator HUTCHISON. And in the interim time, I think we all believe, or, I'll speak for myself, and, along the lines of what you talked about in Europe last week—the Germans have fewer than 5,000 troops in Afghanistan. They have rules of engagement that are very restrictive. And I would just ask you to look at, and perhaps work with the incoming secretary, to determine if it is in our best interest to have the places ready at Fort Bliss for a BCT? And with the lack of German effort, is it in our best interest to keep

three BCTs there, rather than two, which had been the previous decision?

And, I certainly support having joint efforts, and working with our partners. But, you yourself have said our partners are not stepping up to the plate as they should. And I agree with you. So, I would just ask if, in your last 2 weeks, you could look at this, and could work with Secretary Panetta, to determine if it is in our best interests, with the lack of effort that the Germans make in Milcon, and the lack of effort, frankly, in our NATO alliance, and with the preparation that's already been made—\$450 million in Milcon here to take the new troops back—I'd just ask if you would look at it one more time.

Mr. Secretary, I still have time, if I could just, if you're not going to answer that question, then I would just ask if we could, if you could elaborate on your view of NATO. And, you said that some NATO is better than no NATO. Is there something that we could do proactively, besides encouraging our allies to be more of a player, an equal player, that would make the NATO alliance more effective?

Secretary GATES. Well, I think one thing where the Congress could make a contribution is that, I know that the Congress has a variety of parliamentary exchanges with European legislatures. And, I think just voicing, both in those exchanges, but also, publicly, essentially the message that I delivered last week—that the American people are going to become increasingly skeptical about this alliance if the United States has to bear three quarters of the burden.

Chairman INOUE. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Mr. Secretary and Admiral Mullen, thank you very much for your candid testimony, but more importantly, for your service to our Nation. Your astute vision, and ability to quickly implement your vision through others, is a testament to your leadership ability, and this Nation is truly in your debt for turning the tide in Iraq and Afghanistan, and setting the stage for a withdrawal. So, on behalf of the subcommittee, we wish you the very best as you transition to the next phase.

And we will have written questions submitted, if we may.

Because of the time limitation, we're not able to go through the questions and answers.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

PAKISTAN

Question. In the wake of the death of Osama bin Laden and Pakistan's claims that they had no knowledge of his whereabouts, and the ousting of United States military trainers from Pakistan, I question our financial relationship with Pakistan and their commitment to our partnership.

Secretary Gates, this week you sat down with an interview with the Associated Press and urged patience with Pakistan. You have seen Pakistan's actions over the past few months. When should our patience with Pakistan run out?

Answer. The United States relationship with Pakistan is far from ideal, but we should be working to improve the relationship. Although our respective views on how best to counter regional security challenges are not always congruent, we do have shared interests in a stable South Asia. A comprehensive long-term partnership with Pakistan, however, is not just in the interest of regional security, but in the United States national security interest as well. Therefore, the United States needs to work with Pakistan to overcome the tensions currently straining the relationship.

First, let me be clear that we have seen no evidence that senior Pakistani leaders were aware of Osama Bin Laden's whereabouts or involved in harboring him. Nevertheless, the raid in Abbottabad has created an opportunity for Pakistan's leadership to make choices that advance United States and Pakistani shared interests in eradicating terrorist networks threatening both countries' interests.

Since the raid on May 2, senior members of this administration, including Secretary Clinton and Admiral Mullen, have had very frank discussions with Pakistani civilian and military leadership to make clear that the United States will not tolerate safe-havens for terrorists, and to urge decisive steps to expand existing United States-Pakistani counterterrorism cooperation. In conversations with Pakistan's leaders, the administration has been unambiguous regarding its expectations for clear, verifiable, and sustained action against terrorists operating in Pakistan. Progress on this front will be beneficial for Pakistan's security, and will also demonstrate Pakistan's commitment to a positive and enduring relationship with the United States.

The fact remains that Pakistan's cooperation is central to United States and coalition efforts to defeat al Qaeda and prevent its return to the region. Pakistan's participation will also be integral to achieving a durable political solution in Afghanistan. More broadly, Pakistan is the sixth most populous country in the world, with a majority of its population under the age of 30. It possesses nuclear weapons, has unresolved border issues with its neighbors, and a weak economy. These are just some of the factors that make continued United States engagement with Pakistan so important. So even when the United States relationship with Pakistan is strained, I believe we should continue to communicate clearly our commitment to a long-term relationship that is supportive of both countries' interests, and that the United States will not "abandon" Pakistan or disengage from the region.

Question. What more can we do to improve our relationship with Pakistan?

Answer. Our relationship with Pakistan is currently being tested. In Islamabad, and here in Washington, people are asking if both sides can maintain an effective partnership. I believe we can. The recent turbulence in the United States relationship with Pakistan, although troubling, is not insurmountable.

Pakistan's Government and people harbor concerns that our engagement in the region will not extend beyond what is required for the success of the United States mission in Afghanistan. Pakistan's strategic importance, however, goes beyond United States objectives in neighboring Afghanistan. A stable, prosperous, and democratic Pakistan is critical to long-term regional prosperity and security. Therefore the United States must demonstrate its commitment to a sustained partnership with Pakistan that both addresses and extends beyond immediate security threats to both countries. Such a commitment does not mean we are locked into a specific menu or level of assistance funding, but does require that effective and needed assistance be available when the two countries' interests intersect.

Question. Last week General Ashfaq Kayani said in a statement that U.S. assistance now being spent to support the military is more urgently needed for "reducing the burden on the common man." Why should we continue to fund military operations in Pakistan?

Answer. Pakistan's strategic importance is related to both the United States mission in Afghanistan and broader regional and international security interests. And although the United States-Pakistan relationship is not perfect, I do believe it is vital that the United States continues to advance a lasting partnership with Pakistan in order for it to increase its stability and prosperity over the long term. Cooperation—including civilian, law enforcement, and military—on shared security interests is a necessary component of this partnership.

Since September 11, 2001, Pakistan has been a key partner in the fight against terrorism that threatens both countries. In partnership with the Government of Pakistan, we have made significant progress toward disrupting, dismantling, and ultimately defeating al Qaeda. U.S. security assistance has directly enabled Pakistan to conduct its counterinsurgency campaign against violent extremists in Pakistan more effectively. Our assistance has also allowed for greater Pakistani cross-border coordination with International Security Assistance Force (ISAF) and Afghan Forces, which has reduced the space in which al Qaeda and other militants intent

on attacking United States, Pakistani, and Afghan interests can operate. Specifically, the Department of Defense (DOD) “train-and-equip” efforts, supported by the Pakistan Counterinsurgency Fund/Pakistan Counterinsurgency Capability Fund, are central to United States efforts to build the capacity of the Pakistan military and paramilitary forces to enable Pakistan to defeat the insurgents within its borders. Coalition Support Fund reimbursements also remain a critical enabler in combating terrorism and helping Pakistan to sustain its forces in their operations to reduce safe havens.

In short, continued United States support to Pakistan’s military operations against violent extremists is a clear national security interest. Pakistan has made progress against militants operating in its territory, though the gains remain tenuous, and the Pakistan military has struggled to “hold” and “build” in the areas it has cleared. In all, Pakistan has sacrificed more than 11,000 military personnel in this fight, and has also lost upwards of 30,000 civilian lives to continued insecurity. So long as Pakistan continues to advance shared security objectives, we should continue our support.

DETAINEES

Question. The DOD currently has hundreds of individuals detained in Afghanistan that will, at some point, need to be transferred to Afghan control, released, charged, or held by the United States in a different kind of detention regime than they are at Bagram (now called Parwan).

What is the Department’s plan for handling these detainees in the long run?

Answer. Drawing on our experiences in Iraq will help to ensure that the transition in Afghanistan is accomplished responsibly. United States forces will remain involved until the Government of Afghanistan has the trained personnel and infrastructure to be able to assume detention operations. Further, as necessitated by the presence of United States and coalition forces who are conducting operations in concert with Afghan forces to defeat the Taliban, al Qaeda, and associated forces, United States forces may need to maintain some detention capacity in Afghanistan, pursuant to the law of war, as long as military operations continue.

Question. What is your assessment of the Afghan justice system and its ability to adjudicate these cases?

Answer. The formal Afghan justice system is still developing. Primary issues include a shortage of adequately trained, educated, and compensated judges and attorneys, limitations and gaps in the Afghan legal code, and in some cases a lack of political will to try, prosecute, and incarcerate national security threats in a transparent and influence-free manner.

In support of its goals, the United States—under the leadership of the Department of State—conducts a broad range of programs that aim to increase the capacity of the Afghan justice system. DOD provides support to these efforts through the Combined Joint Interagency Task Force 435 (CJIATF-435) and its subordinate command, the Rule of Law Field Force—Afghanistan (ROLFF-A).

Although CJIATF-435 is primarily responsible for United States Government detention operations in Afghanistan, CJIATF-435 also trains Afghan military police detention guards, and mentors Afghan national security prosecutors in preparation for the conditions-based transition of detention operations in Afghanistan. CJIATF-435 also has made progress in discussions with Afghan officials about a national security legal framework that will be necessary for a complete transition to Afghan authority.

Question. How do you compare the status of the Afghan justice system to the Iraqi justice system that the United States has helped build up?

Answer. The Iraqi judicial system has historically been more advanced than the formal Afghan judicial system, reflecting a more centralized and urbanized state and higher literacy and education levels in Iraq. In contrast, rural Afghans, who comprise a significant majority of the population, often make use of their own community justice systems that are outside the purview of the Afghan Government.

United States forces, in concert with civilian partners, have provided support to both the Iraqi and Afghan justice systems, including building physical capacity and training correctional officials. The United States also has provided training to Iraqi and Afghan investigative judges regarding the use of evidentiary files prepared to support criminal charges brought against detainees held by United States forces. In both countries, we have endeavored to develop rule of law systems that are adapted to, and sustainable within, the distinct cultural contexts of Afghanistan and Iraq.

AFGHANISTAN

Question. There has been a lot of discussion lately about the United States presence in Afghanistan and what the drawdown of forces there should look like. I am a supporter of a conditions based drawdown and do not want to see a hasty withdrawal jeopardize the gains that we have made. That being said, I think that because we are 10 years after 9/11 we need to emphasize that this is not going to be an open-ended operation.

What progress has been made in determining the specific plan for withdrawal and how involved has the Afghan Government been in determining the metrics to evaluate the withdrawal plans?

Answer. As you know, during his December 2009 speech at West Point, President Obama specified that the surge would not be open-ended, and that he would reduce U.S. surge forces beginning in July 2011 based on conditions on the ground. The United States strategy in Afghanistan is working as designed, and the beginning of a drawdown of the surge forces this July is part of that strategy. The momentum has shifted to coalition and Afghan forces, and together these forces have degraded the Taliban's capability, achieved significant security gains, especially in the Taliban's heartland in the south, and set the conditions for beginning the transition of security for provinces and districts to Afghan lead.

The United States is working very closely with the Government of Afghanistan on the transition process, which will ultimately put the Afghan National Security Forces in the lead of security nationwide by the end of 2014. The growth of the Afghan National Security Forces (ANSF) in quality and quantity over the past 18 months, including the additional 100,000 new personnel, is a key part of the progress to date that enables the initiation of the transition and the drawdown of U.S. forces. The President will take these factors into consideration when making his decision about the size and pace of the drawdown.

Question. Are the Afghans in agreement on the metrics that should be used?

Answer. The Afghans understand that President Obama will decide on the size and pace of the drawdown of our surge forces, and that it will be based on conditions on the ground. They recognize the substantial progress achieved over the past 18 months, including the progress in the growth and quality of their own forces and the reversal of the Taliban momentum that makes the initiation of the drawdown and the transition of several provinces and districts to Afghan security lead possible.

The United States, with our allies, is in the process of building a 350,000-man ANSF. There has been some conflicting reporting on the quality of that force, specifically the Afghan National Police. There are increasing reports of infiltrators and Afghan servicemembers turning their weapons on coalition forces. I am concerned that we are focusing on quantity and not quality.

Question. How is Afghanistan going to build the security force it needs, and will they have the resources to maintain a National Army?

Answer. The NATO Training Mission—Afghanistan, working closely with the Afghan Ministry of Defense and Afghan Ministry of the Interior, has made substantial progress over the past 18 months in growing the Afghan National Army (ANA) and Afghan National Police (ANP) while also improving their quality. U.S. forces and the Afghan Government have also helped establish the Afghan local police, which are increasingly denying the insurgents' access to rural populations. Although there have been instances of infiltration and Afghan servicemembers turning their weapons on coalition forces, as well as cases of insurgents mimicking the ANA or ANP, overall reporting from the coalition units who partner with the ANSF reflects continued improvement in the capability and performance of the fielded ANSF.

Efforts are underway to ensure the long-term sustainability of the ANSF. The sustainment effort is in two areas, fiscal and human capital. NTM-A and ISAF are scrutinizing all aspects of contracting, infrastructure development, equipping, and sustainment to find cost savings. Examples include an "Afghan First" contracting policy that employs Afghan construction standards, ensuring designs meet cultural and socio-economic norms, and are sustainable by Afghan maintenance capabilities. In order to set Afghans on the track to self-sustainment, DOD and its United States Government partners are working with the Afghans to increase revenue generation through activities such as collecting taxes from border stations. We project that by 2017 the Afghans will be spending \$1.25 billion of their own funds on operations and maintenance, up from a projected \$690 million in 2013. Regarding human capital we have been working to develop institutional professionalism and individual Afghan capacity across a broad range of functions within the force, including operations, leadership development and accountability, literacy, gender integration programs, transparency and development of an Afghan instructor corps. Our literacy

training program has just reached a milestone in that the 100,000th ANSF trooper has successfully completed a literacy course.

Developing the ANSF remains a central element of our strategy in Afghanistan, and sustaining the ANSF will be an essential means of securing the results that so many have sacrificed to achieve. While Afghanistan's own resources will grow over time, it is also true that the international community will need to help sustain the ANSF for some time to come. To that end, I recently renewed my challenge to other ISAF members that they contribute 1 billion Euros annually to the NATO Afghan Nation.

Question. What is the coalition doing to ensure we are building a quality security force that will serve the Afghan people?

Answer. Coalition forces are heavily focused on improving the quality of the ANSF—not just its size—so that the ANSF can operate more independently and the Coalition can successfully transition security lead to the Afghans. Up until June, the primary focus was on building a force to provide immediate security. In June 2011, the last of the 97 Infantry Kandaks were fielded. This has allowed ISAF to shift its focus to professionalizing the force and building sustainment capability. Coalition initiatives to improve quality include partnering with ANSF units in the field, programs geared toward increasing literacy rates, and addressing leadership shortfalls.

As of May 31, advisors partner with or mentor 148 of 156 Afghan National Army units and 223 of 239 Afghan National Police units. Embedded coalition military personnel live and fight with their ANSF partners, which enables coalition forces to provide additional on-the-job training, prevent and address corruption, and demonstrate how a professional military conducts its operations.

Literacy training has also improved ANSF performance and morale and the NATO Training Mission—Afghanistan projects more than 50 percent of the ANSF will achieve third-grade literacy by 2012. A more literate force will increasingly allow the Afghans to develop the necessary enablers and combat support systems to develop self-sufficiency.

Officer and noncommissioned officer (NCO) leader shortfalls have been a key impediment in the quality development of the ANSF, but leader gaps are also closing. Officer Candidate School, the National Military Academy, and strengthened NCO training programs, combined with improved Afghan Ministry of Interior and Defense personnel policies that are addressing problems of attrition and retention, are enabling a new generation of better trained and qualified ANSF officers to ascend in the leadership ranks.

IRAQ

Question. The U.S.-Iraqi Security Agreement will result in the departure of United States military forces from Iraq by the end of 2011. Both of you have testified that, if asked by the Government of Iraq to do so, the United States should keep United States armed forces personnel in Iraq. In the absence of that, the Department of State will be assuming several of the missions now being conducted by the United States military.

What is your assessment of the likelihood that the Government of Iraq will ask United States military forces to stay? By what date would that request need to be made?

Answer. We intend to abide by our commitments in the 2008 U.S.-Iraq Security Agreement. The United States would be willing to consider a limited United States military presence should the Iraqi Government so request; however, to date, no such request has been made. For planning purposes, we would like to receive any such request from Iraq as soon as possible.

It remains unclear whether the Iraqi Government will request a post-2011 U.S. military presence beyond the Office of Security Cooperation—Iraq (OSC-I). The OSC-I will operate under Chief of Mission authority and facilitate the transition from a military-led to a civilian-led mission by continuing to support development and modernization of the Iraqi Security Forces (ISF).

Question. Do you both still agree that United States forces should stay in Iraq if asked?

Answer. I believe it is in our mutual interest to have a limited U.S. military presence to help address ISFs' needs and gaps, if requested by the Iraqi Government.

Question. What types of forces and what mission should they have if they do stay?

Answer. We intend to abide by our commitments in the 2008 U.S.-Iraq Security Agreement. There are a number of areas where the ISF could benefit from additional assistance, such as intelligence fusion, air sovereignty, combined arms training, and sustainment and logistics. However, any post-2011 U.S. military presence

would require a formal request from the Iraqi Government, which we would be willing to consider. To date, no such request has been made.

Question. How limited can our presence be and remain effective?

Answer. Any discussion of specific military personnel numbers and footprint at this point would be premature, as any post-2011 U.S. military mission would require a formal request from the Iraqi Government. To date, no such request has been made.

Question. In your assessment, what effect will the departure of United States military forces have on the stability of Iraq?

Answer. The ISF are currently functioning well as a counter-insurgency force and demonstrating the capability to maintain internal security and stability in Iraq. We believe an increase in security incidents is possible, but within the capacity of the ISF to handle.

Question. Will a complete withdrawal jeopardize the progress we have made in the region?

Answer. We believe an increase in security incidents is possible. However, ISF have the capacity to counter potential increases in security incidents.

In a recent hearing by the Commission on Wartime Contracting, the State Department indicated that it will spend close to \$3 billion on security forces in Iraq if the U.S.-Iraqi Security Agreement is enforced.

Question. Would keeping United States military forces in Iraq be more cost effective than having the Department of State contract out to accomplish their expanded missions and their security?

Answer. It is premature to speculate on any potential cost savings for the Department of State from a potential post-2011 United States military presence in Iraq. Any post-2011 U.S. military mission would require a formal request from the Iraqi Government, which we would be willing to consider. To date, no such request has been made.

LIBYA

Question. This month, NATO agreed to extend the mission in Libya for 90 days until the end of September. Press reporting indicates that Gaddafi has no intention of peacefully stepping down from power and the United Kingdom's most senior naval officer, Admiral Stanhope, said this week that the campaign has been a strain on UK forces and big compromises will have to be made if the operations are extended any longer than 6 months.

How much money are we spending every day on this campaign?

Answer. If the current tempo of support operations continues through September 30, 2011, the DOD estimates it will spend \$1.1 billion in fiscal year 2011, or approximately \$3 million a day from now to the end of the fiscal year. The amount pays to fund military personnel pay costs, travel and sustainment of personnel, operations (e.g., flying hours), expended munitions, supplies, airlift, drawdown of DOD supplies (up to \$25 million), and a small amount for lift and sustainment costs for coalition partners supporting operations in Libya. The DOD spent more per day at the beginning of the campaign due to a higher level of kinetic operations.

Question. If NATO terminates the campaign in September and Gaddafi is still in power, is there a plan?

Answer. It is unlikely that NATO will terminate Operation UNIFIED PROTECTOR (OUP) until the Gaddafi regime complies with the criteria adopted at the April 14 NATO Foreign Ministers' Meeting:

- All attacks and threats of attack against civilians and civilian-populated areas have ended;
- The regime has verifiably withdrawn to bases all military forces, including snipers, mercenaries and other paramilitary forces, including from all populated areas they have forcibly entered, occupied or besieged throughout all of Libya; and
- The regime must permit immediate, full, safe, and unhindered humanitarian access to all the people in Libya in need of assistance.

This resolve was reiterated on June 8, when NATO and Partner Defense Ministers issued a statement extending operations for a further 90 days from June 27, 2011. If, for some reason, NATO does not continue OUP into the fall, it is highly likely that a small coalition of capable allied and partner nations would continue the mission in Libya. Again, we find the scenario of NATO terminating operations to enforce U.N. Security Council Resolutions 1970 and 1973 highly unlikely.

Question. We have all been watching as the Chinese military continues to expand and modernize their military. We have seen concerning developments with the “carrier killer” missile and the J-20 stealth fighter. There are numerous open-source reports of the Chinese Army conducting cyber attacks on U.S. entities. Additionally, the Chinese continue to flaunt international norms with respect to their assertive attempts to expand their maritime territorial claims in the East and South China Sea.

Can you please give us your assessment on the capabilities and intentions of the Chinese military?

Answer. China appears to be building the capability to fight and win short-duration, high-intensity conflicts along its periphery. The country’s near-term focus appears to be on preparing for potential contingencies involving Taiwan, including possible U.S. military intervention. Its modernization efforts emphasize anti-access and area denial capabilities. China is also devoting increased attention and resources to prepare to conduct operations beyond Taiwan and China’s immediate periphery. Beijing’s growing focus on military missions other than war includes humanitarian assistance, noncombat evacuation operations, and counter-piracy support. Lastly, China is strengthening its nuclear deterrent and enhancing its strategic strike capabilities through modernization of its nuclear forces and improving other strategic capabilities such as space and counter-space operations and computer network operations. Recent public revelations about its advanced fighter program and aircraft carrier underscore the progress it is making.

Question. Can you expand on how the Chinese military expansion has affected regional stability?

Answer. China’s economic growth has increased the country’s international profile and influence, and enabled its leaders to embark upon and sustain a comprehensive transformation of the country’s military forces. China’s continued investment in programs designed to improve extended-range power projection has the potential to make positive contributions in the delivery of international public goods—such as peacekeeping, disaster relief, and counter-terrorism operations—but also increases Beijing’s options for military coercion to gain diplomatic advantage, advance its interests, or resolve disputes in its favor. The pace and scale of China’s military modernization, coupled with the lack of transparency, raise many questions, both within the United States and the Asia-Pacific region as a whole, about China’s future intentions.

In addition, China’s recent assertive behavior in the South China Sea has raised concerns in the region, reinforcing littoral states’ appreciation for a robust and sustained United States presence. Multiple competing territorial claims have existed for decades, but China is increasingly confident in asserting its claims in the resource-rich region. Although not a claimant to any territory in the region, the United States has interests in the South China Sea, and we remain committed to the stability and prosperity of Southeast Asia as reflected in our extensive bilateral and multilateral engagements and defense activities with regional allies and partners.

Question. Are our forces, particularly those forward based in the Pacific Command area of responsibility prepared to counter these threats?

Answer. The U.S. forward presence in the region has played a key role in ensuring decades of stability in Asia. The United States will continue to be globally postured to secure our homeland and citizens from direct attack and to advance our interests around the world. Although there are many demands on our forces in the Asia-Pacific, the fiscal year 2012 defense budget ensures that we will remain prepared to meet challenges and fulfill our security commitments in the region.

The fiscal year 2012 budget proposal would make a number of investments that would enhance the ability of U.S. forces to project power into the Asia-Pacific region and elsewhere. Chief among these is the commencement of a new long-range bomber program.

We have worked with—and will continue to work with—our regional allies and partners to maintain peace and ensure stability throughout Asia. With the fiscal year 2012 budget, we intend to enhance our forward presence in the Pacific as the most critical region for long-term U.S. security. We will make a number of investments to ensure the DOD has the necessary capabilities to project power into the Asia-Pacific region and elsewhere if necessary. Examples include:

- expanding future long-range strike capabilities;
- exploiting advantages in subsurface operations;
- increasing the resiliency of U.S. forward posture and base infrastructure;
- ensuring access to space and the use of space assets;

- enhancing the robustness of key Command, Control, Communications, and Computers, Intelligence, Surveillance, and Reconnaissance (C⁴ISR) C⁴ISR capabilities; and
- enhancing the presence and responsiveness of U.S. forces abroad.

TAIWAN ARMS SALES

Question. I have expressed concerns in the past about additional United States arms sales to Taiwan. Admiral Willard testified at the PACOM hearing before this Committee that the military balance in the Straits of Taiwan has shifted to the mainland. In my view, we would best advance our national interest of peace in Asia by pursuing a goal to reduce military posture across the Taiwan Strait.

What significant action could China take to ease its military posture in the strait in a manner that was substantive enough for the Pentagon to consider or reconsider the future arms sales to Taiwan?

Answer. We welcome steps taken by both sides of the Taiwan Strait to improve relations. We remain committed to our one China policy based on the Three Joint U.S.-PRC Communiqués and the Taiwan Relations Act. Our one China policy has been consistent for the past eight United States administrations. In accordance with the Taiwan Relations Act, we do not support independence for Taiwan, but at the same time, the United States makes available to Taiwan defense articles and services necessary to enable Taiwan to maintain a sufficient self-defense capability. If the environment changed, the relationship between China and Taiwan continues to improve, and over time, the security environment for Taiwan changed, then this would potentially create the conditions for reexamining this issue. Of course, this would be an evolutionary and a long-term process.

It is difficult to identify specific steps or actions that could change our assessment of Taiwan's defense needs. Actions such as removing forces, halting the missile buildup, reducing missile stockpiles, or establishing a policy rejecting the reunification of China by force would be welcomed steps that could be taken by the People's Republic of China (PRC) to improve the security environment. However, the Department's assessment of Taiwan's defense needs is not predicated on a single Chinese action or even the combination of several actions. Our calculus is based on our understanding of the totality of the security environment, which not only includes actions taken by the PRC, but also those taken by Taiwan.

In the interim, the DOD will continue to monitor military trends in the Taiwan Strait and work with the authorities on Taiwan as they pursue defense reform and modernization to improve the Taiwan's ability to defend against an attack from the mainland. Organizational reforms, improvement in joint operations, the hardening of infrastructure and weapons systems, and long-term acquisition management are all significant steps that will enhance Taiwan's security.

Question. Can you identify major steps that the PRC could take, such as removing forces, halting the missile build up, reducing the missile stock, or establishing a policy rejecting reunification of China by force, which could change our assessment of Taiwan's defense needs?

Answer. It is difficult to identify specific steps or actions that could change our assessment of Taiwan's defense needs. Actions such as removing forces, halting the missile buildup, reducing missile stockpiles, or establishing a policy rejecting the reunification of China by force would be welcomed steps that could be taken by the PRC to improve the security environment. However, the Department's assessment of Taiwan's defense needs is not predicated on a single Chinese action or even the combination of several actions. Our calculus is based on our understanding of the totality of the security environment, which not only includes actions taken by the PRC, but those taken by Taiwan.

As documented in the Department's "Military and Security Developments Involving the People's Republic of China" annual reports to Congress, we remain concerned about the pace and scope of China's military buildup including its short- and medium-range ballistic missiles, cruise missiles, submarines, surface combatants, advanced fighter aircraft, integrated air defense systems, and space and cyber capabilities. We also remain concerned about the lack of transparency surrounding the development of these capabilities.

In the interim, the DOD will continue to monitor military trends in the Taiwan Strait and work with the authorities on Taiwan as they pursue defense reform and modernization to improve the Taiwan's ability to defend against an attack from the mainland. Organizational reforms, improvement in joint operations, the hardening of infrastructure and weapons systems, and long-term acquisition management are all significant steps that will enhance Taiwan's security.

ACQUISITIONS

Question. Cost over-runs and delays seem to plague the Defense acquisitions program. The Joint Strike Fighter alone is projected to cost 80 percent more than the initial estimates and 30 percent more than when the baseline cost was redefined 4 years ago, and I am sure it is not the only program in this situation. In the current fiscal environment, it is becoming increasingly difficult to justify these extreme costs.

What concrete steps are being taken to reform the acquisitions program and when can we expect to see results?

Answer. On September 14, 2010, with my input and support, Dr. Carter, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)), launched an initiative called "Better Buying Power" (BBP). In it, we issued a set of 23 points that indicated how we were going to "get more without more." We are implementing BBP aggressively and are already experiencing savings on current programs.

On November 3, 2010, Dr. Carter issued BBP guidance for the Service Secretaries and Directors of the Defense Agencies indicating that affordability will be treated as a requirement at all Milestones and Decision Points for our programs, and program managers will be required to demonstrate affordability before being granted Milestone Authority to proceed with a program. Independent cost estimates will be used to evaluate what a program will cost based on historical data, but program managers have been instructed to manage based on what a program should cost. The "should cost" method is already being used to drive down future costs in all acquisition programs.

Another facet of the BBP initiative is incentivizing productivity and innovation in industry partly through use of fixed-price incentive (firm target) contracts, where appropriate, where the reward for saving as well as the burden of risk is appropriately shared with the contractor. The Department is also renewing its commitment to small business by increasing its goals and investments and placing greater emphasis on new technology.

In line with President Obama's March 2009 memorandum on Government contracting, the BBP initiative promotes real competition as the most powerful tool the Department has to drive productivity. The USD(AT&L) requires program managers to present competitive strategies to him, even when there is not a traditional head-to-head competition. In those cases, we will harness competitive energy at the sub-contract level where contractors can approach program managers with value engineering change proposals to achieve program goals in the most cost-effective manner.

COUNTERNARCOTICS SPENDING IN MEXICO AND CENTRAL AMERICA

Question. While the State Department is the primary U.S. agency providing security assistance to the Mexican and Central American Governments, according to a July 2010 report from the Government Accountability Office (GAO), "In Mexico and Central America, the Department of Defense provides support to U.S. and foreign agencies with counternarcotics responsibilities which has increased in recent years and is separate from that provided under [the] Mérida [Initiative]."

How much Defense Department funding will support the Mexican and Central American Governments in their counternarcotics efforts in fiscal year 2012?

Answer. The President's budget request for fiscal year 2012 includes approximately \$75.5 million in DOD counternarcotics support to Mexico; \$4 million for Belize; \$9 million for Guatemala; \$2.7 million for Honduras; \$2.1 million for El Salvador (excluding funds to operate and maintain the U.S. Navy's Counternarcotics Forward Operating Location in Comalapa, El Salvador); \$2.7 million for Nicaragua; \$2.6 million for Costa Rica; and \$8.2 million for Panama.

Question. What will that funding be used for?

Answer. U.S. Department of Defense counternarcotics (DOD CN) support includes training, equipment, infrastructure, and information sharing. DOD CN programs complement State Department-led security cooperation programs, principally the Mérida Initiative with Mexico and the Central America Regional Security Initiative.

Cooperation with Mexico concentrates on helping Mexican forces improve their tactical and operational proficiency, as well as air mobility, maritime law enforcement, communications, and reconnaissance capacities. Training includes air operations and maintenance, helicopter pilot training, rule of law, tactics for urban and night operations, logistics/resources management, maritime operations, ship maintenance and repair, search-and-rescue and lifesaving, and operational planning. Training includes an emphasis on intelligence-driven and interagency operations as well as incorporating principles of respect for human rights. Equipment includes

rigid hull inflatable boats, communications equipment, nonintrusive inspection scanners, aircraft avionics and sensors, and navigation equipment.

Cooperation with Central America includes building and equipping maritime forward operating sites, maintenance facilities, land border crossing control posts and related facilities; providing intercept boats, night vision equipment, radar equipment, ground vehicles, ballistic flotation vests and other equipment; providing operational support for partner country maritime interdiction; and training, which incorporates an emphasis on respect for human rights.

In addition to providing direct support to foreign security forces, DOD CN operates, supports, or employs U.S. intelligence, radar, communications, computer, air and sea lift, counterdrug detection and monitoring, technology development, and related activities. Since these DOD activities help reduce drug trafficking and related threats to partner countries as well as the United States, they may in part be considered indirect support to those countries. This includes the work of Joint Task Force—North (JTF—N), which supports drug law enforcement agencies in the United States with an emphasis on the United States-Mexico border region, and Joint Interagency Task Force—South (JIATF—S), which conducts interagency and international counterdrug detection and monitoring operations. El Salvador also hosts a critical DOD CN Forward Operating Location to detect and monitor suspected drug trafficking.

Question. How do you coordinate security funding for these countries with other U.S. agencies?

Answer. Policy and strategic coordination are conducted by the DOD primarily through Interagency Policy Coordination (IPC) committees and related processes chaired by the national security staff which include the Office of National Drug Control Policy and the Office of Management and Budget (OMB). A variety of working groups support the IPC process. DOD requests for Drug Interdiction and Counterdrug Activities appropriations are coordinated with other agencies through OMB. DOD does not request specific levels of appropriation for CN cooperation with foreign countries, but allocates funding from the total appropriation provided.

DOD CN support to foreign countries is requested by U.S. Military Groups (or equivalents) after coordination with the U.S. Embassy country team. DOD CN support may only be considered if requested by an appropriate official of a department or agency that has counter-drug responsibilities, as well as by an official of the recipient country. Proposals are forwarded to the geographic combatant command (GCC) for validation and prioritization and then to the Joint Staff and the Office of the Secretary of Defense for consideration. U.S. Northern Command and U.S. Southern Command are also responsible for JTF—N and JIATF—S respectively, while the U.S. Navy is responsible for the CN Forward Operating Location (FOL) in Comalapa, El Salvador. While JTF—N, JIATF—S, and FOL Comalapa do not provide capacity-building support to foreign countries, they conduct CN detection and monitoring, information-sharing, and related international cooperation.

The Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats (DASD CN>) conducts consultations with military commands, the Armed Services, Defense agencies, and other U.S. Government agencies to ensure that activities are prioritized and funded in line with policy and to make budgetary adjustments. Those processes are supplemented by a variety of working groups, program reviews, and similar mechanisms. The DASD CN> coordinates CN policy within DOD and other agencies, and provides policy, program, and budgetary guidance and oversight to the military commands, Armed Services, and Defense agencies which execute DOD CN activities.

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

Question. Since 1997, there have been 74 Nunn-McCurdy breaches involving 47 major defense acquisition programs. The Government Accountability Office has identified proven management practices—many of which have been incorporated into Department of Defense (DOD) policy, but have yet to be fully implemented in practice—that can serve as tools to prevent DOD cost overruns. Greater adherence to practices at key phases of the acquisition process can help reduce weapon system costs, contain pressures for increased funding, and better address critical warfighter needs.

What is being done within the DOD to incorporate better acquisition practices?

Answer. With my support and input the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) launched the Better Buying Power (BBP) initiative to reform the way we do business, affecting all of our acquisition programs. Treating affordability as a requirement and applying this standard at

every milestone decision will have huge impacts to the Department's overall savings and will prevent cost overruns. Similarly, the Department's mandatory use of competition—even when there is not a traditional head-to-head situation—and requiring program managers to present a competitive strategy will have profound effects on the cost of weapon systems. The Department has set the goal of increasing the amount of contract obligations competitively awarded every year.

The BBP initiative includes various other significant strategies to reduce non-productive processes and bureaucracy, to incentivize productivity and innovation in industry, and to improve tradecraft in services acquisition, each with detailed focus areas and goals.

Question. How does the DOD plan to incentivize acquisition program managers and contractors to drive down acquisition costs?

Answer. Since early last year, Dr. Carter, USD(AT&L), has been working with the Component Acquisition Executives (CAEs) to craft and implement a series of initiatives geared toward gaining greater efficiencies and productivity. On September 14, 2010, he issued a memorandum for acquisition professionals, "Better Buying Power (BBP): Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending." He provided additional guidance with an implementation memorandum for the CAEs on November 3, 2010. These memoranda establish a framework for the enterprise to institutionalize the BBP reforms.

To incentivize contractors, we are increasing our use of fixed-price-type contracts with incentives structured to reward performance and share risks more equitably between Government and industry. Dr. Carter and Mr. Hale, the Under Secretary of Defense (Comptroller), have jointly issued guidance addressing conditions when savings are realized. The intent is to seek and eliminate low-value-added ingredients of program cost and to reward those doing so. Program managers' and Program Executive Officers' performance will, in part, be evaluated on this basis. Realized savings may mean additional resources to enhance their programs, for example, by freeing up funds to buy more warfighting capability or quantities. For industry, it means sharing in savings realized in the form of increased profit and enhanced corporate recognition for delivering value.

Question. How will the Department measure success in achieving reform of its acquisition process?

Answer. The Department is measuring success by implementation of the BBP initiative across the Department's acquisition programs. This implementation will result in quantifiable savings for the Department.

The BBP initiative mandates treating affordability as a requirement. Program managers must establish an affordability target as a Key Performance Parameter equivalent for all ACAT I Milestone programs. The 100 percent application of this standard at all Milestone decisions will result in savings. For example, by conducting engineering tradeoff analysis with the commencement of the Ohio-class replacement—for example, examining the submarine design and evaluating what could be changed in the interests of lowering costs—the Navy has already reduced the estimated average procurement cost by 16 percent, with a goal of reaching a 27 percent reduction. This savings would not have been achieved without making affordability a requirement.

As a part of the BBP initiative, the Department is increasing the use of competition to control costs of goods and services. Again, success in this initiative will be measured by implementation; for instance, every ACAT program milestone acquisition strategy must contain a competitive strategy for evaluation at each milestone review. Another measurable competition goal of the Department is to increase the amount of contract obligations competitively awarded by 1 percent every year.

We expect each program to have aggressive goals. These goals will be tracked and monitored to ensure implementation and to harvest and share good ideas with broader applicability.

Continued aggressive application of the BBP initiative will continue to bring measurable success in terms of real cost savings to the Department.

Many aspects of wounded warrior care in the military healthcare system is in need of reform. The Dole-Shalala Report on military healthcare reform has still not been fully implemented. Many wounded warriors still find that the Medical and Physical Evaluation Board process takes too long, is too adversarial, and is duplicative with the VA process. Less than 40 percent of active, reserve, or guard members were even "somewhat" satisfied with the disability evaluation system and less than 50 percent said they "completely" or "mostly" understood the system.

Question. What is the status of implementing the Dole-Shalala Report recommendations pertinent to the reform of the military health system?

Answer. The Dole-Shalala recommendation to reform the disability evaluation system requires considerable legislative action to fully implement. In the meantime,

the DOD and VA have implemented new processes to improve and coordinate what was previously two separate disability evaluation systems, while preserving DOD's requirement for determining fitness for military duty and the VA's requirement to compensate for disabling conditions as a result of military service. Both Departments are committed to use existing authorities to reform and continuously improve existing processes.

Question. What is DOD's goal for implementing a single disability evaluation system with the VA that will ensure when wounded warriors are discharged, they do not have to wait months with no income or support to access the VA medical system?

Answer. In order to address the challenges in the prior systems created to address disability evaluation for our wounded warriors, the Integrated Disability Evaluation System (IDES) (a joint DOD/VA program) was created beginning in November 2007. The DOD goal is that IDES will be available at all Military Treatment Facilities (MTFs) by September 2011. The IDES combines two previously separate and sequential systems (the military Disability Evaluation System and the VA Compensation & Benefit process) into one concurrent process. This simplifies Disability evaluation processes, eliminates duplicate disability examinations and ratings and places VA counselors (Military Service Coordinators (MSCs)) in MTFs to ensure a smooth transition to Veteran status. This eliminates the benefits gap, provides a VA disability rating, (amount of benefits they will receive from VA) before leaving the service and provides a more simple, seamless, fast and fair Disability Evaluation System for servicemembers.

The US Family Health Plan (USFHP) designed by the Congress in 1996 provides the full TRICARE Prime benefit for military beneficiaries in 16 States and the District of Columbia for more than 115,000 beneficiaries. Beneficiaries are highly satisfied with this healthcare option. In 2010, more than 91 percent of USFHP beneficiaries were highly satisfied with the care they received, making it the highest-rated healthcare plan in the military health system. The fiscal year 2012 President's budget request includes a proposed legislative provision that future enrollees in US Family Health Plan would not remain in the plan upon reaching age 65.

Question. Shouldn't DOD be using USFHP as a model to improve access to care and achieve better health outcomes? How are you planning to utilize the experience of USFHP in expanding these principles across the military health system for all beneficiaries?

Answer. Yes, DOD is currently using USFHP as a model. US Family Health Plans, like all TRICARE contractors, have embraced the following goals: improved health, a positive patient experience, and responsible management of the costs; all in support of the central aim of assured military readiness. Their emphasis on preventive care, disease management, and enrollment of 30,000 of their 115,000 TRICARE beneficiaries in Patient Centered Medical Homes is significant. All TRICARE programs now offer preventive care with no copays; disease management programs are widely available for those diagnosed with chronic illness; and hundreds of thousands of TRICARE patients across the Nation are enrolled in Medical Home practices.

The President's budget initiative would limit enrollment of any new patients older than age 65 under the current financial structure. In planning to utilize the experience of USFHP in expanding these principles across the military health system for all beneficiaries, we have encouraged USFHP leaders to continue to care for these patients under Medicare and TRICARE for Life. We expect the early investment in prevention will result in greater wellness later in life, independent of the payment model; that loyal patients will choose to remain with their doctors; and the Federal Government will still accrue important savings.

The most recent data for those older than age 65, our dual-eligible DOD/Medicare population, shows that satisfaction with the TRICARE For Life benefit is equal to the satisfaction of USFHP enrollees. We anticipate that this satisfaction will remain equivalent for the long term.

Question. DOD has proposed that, after a certain date, Medicare eligible beneficiaries will no longer be able to enroll in USFHP. What is DOD's plan to reach out to, and work with CMS and the USFHPs to explore options that ensure continuity of care for those beneficiaries?

Answer. The Department's primary concern is the effect of this proposal on the beneficiaries, and we believe that there will be no impact on continuity of care. The following plan details how DOD will work with CMS and the USFHP's to explore options to ensure continuity of care.

Current enrollees will be grandfathered into the program and will see no change in their coverage. For those who enroll in the USFHP in the future, they would be transitioned to TRICARE For Life (TFL) upon reaching age 65, consistent with

other TRICARE Prime enrollees. Under TFL, beneficiaries will receive comprehensive healthcare coverage with minimal out-of-pocket expenses.

Although Medicare becomes the primary payer when beneficiaries age out of Prime, with TFL paying the difference, USFHP providers accepting Medicare can continue to see and treat TFL beneficiaries.

Providers can also continue to manage care and referrals for their primary care patients as well as offer disease management and prevention program which are hallmarks of quality patient care.

The Department remains deeply committed to the continued success of the USFHPs. These six plans, covering approximately 115,000 of our 9.6 million beneficiaries, are a valued part of our military healthcare system. We will continue to work with the USFHPs on behalf of all of our patients to meet the goals of improved health, a positive patient experience, and responsible management of the costs.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

MINIMUM ESSENTIAL SECURITY CONDITIONS

Question. The President has made it clear that he intends to withdraw troops from Afghanistan in the coming months, and while I am a supporter of this draw-down, I am concerned with the security situation on the ground for our remaining forces.

What are the minimum essential conditions in Afghanistan that can sustain stability with a minimum level of support from the United States and other countries?

Answer. The ability to transition provinces and districts to Afghan security lead while reducing the support required of the United States will depend first and foremost on the readiness and capability of Afghan forces to provide security to the population relative to the threat in each area. Governance and development are also crucial as they are ultimately the keys to providing secure communities the basic levels of services and economic opportunity that will keep them resistant to insurgency. Continuing progress and efforts to dismantle and defeat al Qaeda and to degrade the insurgency are also essential to achieving these conditions. Finally, we are negotiating a strategic partnership with Afghanistan that will help ease uncertainty in the region by underscoring the continued United States interest in and commitment to Afghanistan's stability and security.

JOINT ELECTRONIC HEALTH RECORD

Question. However, the agreement to develop a joint electronic health record is only one step in a very difficult multi-step process.

What steps have you taken to ensure that the progress you have made on the joint electronic health record continues, and is ultimately successful, once you leave the Department?

Answer. I have taken critical steps with Secretary Shinseki to ensure forward progress on the integrated electronic health record (iEHR).

—At the highest departmental levels, we have reaffirmed our commitment, to jointly chair recurring oversight meetings and are establishing a robust governance structure which is essential to the continued success of the iEHR.

—A critical component of this governance structure is the iEHR Advisory Board, which will include clinical proponents appointed by the Assistant Secretary of Defense Health Affairs, Service Surgeons General, and their clinical counterparts from the VA.

—Additionally, a Program Executive and the Deputy Director will be selected jointly by the SECDEF and the Secretary of Veterans Affairs (VA). The Program Executive will make decisions related to requirements, design methodologies, application priorities, implementation schedule, and deployment sequence.

INTEGRATED DISABILITY EVALUATION SYSTEM

Question. Just last week, I met with an amputee at Bethesda who has been in the process of getting his Medical Evaluation Board (MEB) completed since January. This is a young man who was severely injured several years ago and is ready to leave the service and begin the next phase of his life. Six months is much too long for a servicemember to languish in this process.

Will the Department of Defense commit to looking at the overall issue of MEB timeliness and come back with a plan to improve the process?

Answer. Yes, DOD agrees that such delays for our transitioning servicemembers are unacceptable. The Department is committed to not only looking at the MEB timeliness but to improving it.

WOUNDED WARRIORS

Question. I am concerned about the human cost of this war. We have invested more than \$421 billion in combat operations, but this war is fought by people. Last Friday I met with Corporal Todd Nicely, 1 of 3 quadruple amputees from the wars in Iraq and Afghanistan.

What efforts are underway to better address the injuries faced by dismantled troops?

Answer. The Department's efforts are underway to continuously study the injuries from the current conflict and more effective ways to treat them. For example:

- The Armed Forces Medical Examiner reviews all fatalities to document cause of death and assesses the performance of personal protective equipment (PPE) to document its effectiveness and opportunities for improvement. The Services are continually looking for ways to improve PPE to prevent injury.
- Combat trauma surgical teams are continually improving their techniques for care. Stateside surgical teams are enhancing limb salvage techniques and improving amputation care.
- The U.S. Army Surgeon General (SG) recently appointed the "Dismounted Complex Blast Injury Task Force" which has studied the causation, prevention, protection, treatment, and long-term care options of these more serious and complex battle injury patterns. The Task Force was comprised of clinical and operational medical experts from the Departments of Defense (DOD) and Veterans Affairs (VA) and solicited input from subject matter experts in both Federal and civilian sectors. Efforts to act upon these recommendations of the Task Force are ongoing.

Question. Will the DOD commit to working with Secretary Shinseki to collaboratively improve the ability of the VA to address some of the new prosthetics provided to servicemembers? I am concerned the VA is receiving these amputees into their system and they do not have the capacity to properly service their new limbs.

Answer. Yes, the DOD is committed to working with Secretary Shinseki. There is already close coordination between the two agencies to ensure we meet the needs of our wounded warriors. Our Center of Excellence for Extremity Injuries and Amputations will offer opportunities to share best practices and technical innovation in rehabilitation. Two of the current activities between VA and DOD to improve prosthetic care are:

- evaluation of the new highly technical prostheses and the "legacy" less complicated devices; and
- creating a joint network of prosthetic care to improve service delivery for servicemembers and veterans.

Oversight of this collaborative work is conducted by the VA/DOD Joint Executive Council, composed of leaders from both agencies and the Services.

In addition to our collaborative work on prosthetics, VA and DOD participate in many additional joint activities, including processes to share healthcare resources, development of clinical practice guidelines, joint facility planning, information sharing and electronic health record development, integrating the disability evaluation systems, improving transitions and coordination of care, and suicide prevention efforts. Both agencies are committed to ongoing and developing collaborative strategies and coordinated efforts to assist servicemembers and veterans.

QUESTIONS SUBMITTED BY SENATOR MITCH MCCONNELL

Question. What is the Department of Defense doing to recover missing U.S. military personnel in the Global War on Terror?

Answer. Searching for and rescuing captured servicemembers in the Global War on Terror are top priorities for the U.S. military. U.S. and coalition forces, along with the Intelligence Community and other agencies, continue to make every effort to facilitate this recovery. Upon their return, these servicemembers will undergo a methodical process designed to assist those who have experienced the ordeals of capture and captivity. In addition, we continue to assist family members during this difficult period.

Question. Please explain the purpose behind the recently directed project #1892/AT&L 10-402 Rand Study entitled "A review of the Department of Defense's Plans to Disposal of its Existing Stockpile of Chemical Weapons." It was reported that \$500,000 was spent on this project. Please provide the project's justification and cost.

Answer. The purpose of the RAND Study was to conduct an independent review of DOD plans for completing destruction of the remaining stockpiles of chemical weapons. Specific areas of review included identifying potential schedule and cost

efficiencies, determining whether the planned acquisition strategy is most advantageous for meeting the Government's treaty obligations and other national priorities, and examining the current organizational construct of the chemical demilitarization program. The study was a key element in identifying performance and schedule risks leading to congressional notification of a Nunn-McCurdy breach.

Increased program cost projections justified the review, which will ensure appropriate steps are taken to maximize efficiencies in completing destruction of the remaining U.S. chemical weapons stockpile.

The RAND Study cost \$502,000.

Question. Please explain why the study "A review of the Department of Defense's Plans to Disposal of its Existing Stockpile of Chemical Weapons" does not mention communication with the Citizens Advisory Commissions at either ACWA site when these Commissions were specifically established under Public Law 102-484, subtitle G, section 172 to receive citizen concerns regarding the chemical weapons disposal program.

Answer. The RAND National Defense Research Institute, a federally funded research and development center, was commissioned to conduct an objective independent review of DOD plans for completing destruction of the remaining stockpiles of chemical weapons. The specific tasks originally assigned to RAND were:

- Task 1: Review the pending (January 2010) contract between the Government and the Bechtel-Parsons contractor team for the next construction phase of the Blue Grass Army Depot;
- Task 2: Conduct a detailed examination of the acquisition strategy/business plan for the ACWA program and provide recommendations for improvement;
- Task 3: Analyze the Government's management structure for running the ACWA and U.S. Army Chemical Materials Agency (CMA) programs; and
- Task 4: Describe an appropriate close-out plan for CMA sites.

During the study effort, Task 4, which would have more directly involved the Citizens Advisory Commissions, was de-scoped to allow RAND to allocate more resources to Task 2.

SUBCOMMITTEE RECESS

Chairman INOUE. So, the subcommittee will reconvene on Wednesday, June 22, at 10:30 a.m. for our last hearing, and we'll close our books then.

The subcommittee stands in recess.

[Whereupon, at 12:35 p.m., Wednesday, June 15, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, June 22.]

**DEPARTMENT OF DEFENSE APPROPRIATIONS
FOR FISCAL YEAR 2012**

WEDNESDAY, JUNE 22, 2011

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:39 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Cochran, and Shelby.

NONDEPARTMENTAL WITNESSES

OPENING STATEMENT OF CHAIRMAN DANIEL K. INOUE

Chairman INOUE. First, I'd like to apologize to all of you for this lateness. Last night we were deluged with thunderstorms, and I live in Rockville, Maryland. It took me 2 hours to get in. No traffic lights, and American drivers without traffic lights.

So I'd like to welcome all of you to this hearing to receive testimony pertaining to the various issues related to defense appropriations requests. Because we have so many witnesses, I will have to remind the witnesses that they will be limited to 4 minutes apiece. I'm sorry about that.

At this point I'd like to recognize my vice chairman, Senator Cochran.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, thank you. It's a pleasure to join you in welcoming the witnesses to the hearing. We appreciate your interest in our work and it will make a contribution to helping improve our national security and the work we do here in supporting our military forces and related interests around the world.

Chairman INOUE. Our first witness is Dr. Matthew King of the American Thoracic Society. Dr. King.

STATEMENT OF MATTHEW KING, M.D., ON BEHALF OF THE AMERICAN THORACIC SOCIETY

Dr. KING. Mr. Chairman, members of the subcommittee: Thank you for hearing me today. My name is Matt King. I'm a pulmonary physician in Nashville, Tennessee, and I've worked at both Vanderbilt University and the Nashville Veterans Administration (VA) Hospital with military personnel and veterans.

I'm testifying today on behalf of the American Thoracic Society, which is a medical professional organization dedicated to the pre-

vention, treatment, and cure of lung disease. Many of the members of the American Thoracic Society work in the military and with the VA, and as such we've become deeply concerned with the respiratory issues that some of our military personnel are suffering.

There is a real cause for concern here. As you may have read in the New York Times over the weekend, there have been several studies reporting a startling number of respiratory disorders in our military personnel returning from Iraq and Afghanistan. In fact, military personnel that have served in Iraq and Afghanistan are reporting severe respiratory diseases at a rate seven times higher than people who are serving elsewhere.

Studies have documented increases in asthma, fixed obstructive lung disease, allergic rhinitis, and several other rare pulmonary disorders. I personally have been involved in a study that's going to be published next month of 50 veterans returning from Iraq and Afghanistan that have a rare incurable pulmonary disease caused constrictive bronchiolitis. These patients often have normal pulmonary function tests, but, despite their normal tests, are having severe respiratory symptoms.

We don't know exactly why, but Iraq and Afghanistan veterans are exposed to a number of inhalational insults, ranging from dust storms to inhaled smoke from burn pits to aerosolized metal and chemicals from exploding improvised explosive devices (IEDs), blast overpressure or shock waves to the lung, outdoor allergens such as date pollen, and indoor allergens such as the mold *aspergillus*. We think many of these are contributing. We've identified many respiratory illnesses, but we really don't know the scope of the problem.

So there are several questions: What are the key causative agents? How many veterans are experiencing this disease? What is the best way to identify and treat the servicemen and women? Attention is needed to address these and other important questions.

The American Thoracic Society recommends the following steps: All service men and women should have pre- and post-deployment pulmonary function testing. The Department of Defense (DOD) and VA should support projects to establish a more comprehensive normative pulmonary function test database used to evaluate military men and women. The DOD and VA should jointly create and fund a program to study the respiratory exposures that may be contributing to these respiratory illnesses. Potential goals of this kind of research program could include identifying the exact agents to which people are exposed and that may be causing the illnesses, considering potential population-based and individual interventions that could prevent or at least reduce exposure to these causative agents, and supporting research and to improve prevention, detection, and treatments for deployment-related respiratory diseases.

Also, the DOD and VA should consider establishing centers of excellence to enhance research and clinical treatment of these service men and women that are returning with deployment-related respiratory illnesses.

Finally, we believe that the DOD and VA should create a standard administrative approach to determining respiratory disability for the Operation Iraqi Freedom and Enduring Freedom service personnel.

Thank you. The American Thoracic Society appreciates the opportunity to testify here. I'd be happy to answer any questions.
[The statement follows:]

PREPARED STATEMENT OF DR. MATTHEW KING

The American Thoracic Society appreciates the opportunity to testify before the Senate Department of Defense Appropriations Subcommittee regarding the fiscal year 2012 budget.

The American Thoracic Society is a medical professional society of over 15,000 members who are dedicated to the prevention, detection, treatment and cure of respiratory, sleep and critical care related illnesses. Our physicians, nurses, respiratory therapists and basic scientists are engaged in research, education and advocacy to reduce the worldwide burden of respiratory diseases.

Many members of the American Thoracic Society serve as researchers and clinicians in the U.S. military and at VA medical centers. As such, we are deeply concerned about the respiratory health of U.S. military personnel.

And there is cause for concern.

A surprising number of returning service men and women from Iraq and Afghanistan are experiencing moderate to severe respiratory diseases. There are several anecdotes of military personnel who were elite athletes—marathon runners, road cyclists—before deployment are no longer able to complete the 2 mile physical readiness run. Even more puzzling, in many cases, these service men and women have normal pulmonary function test values. Despite having normal pulmonary function test values, these service members severely de-saturate during exercise.

Physicians have described a new disease called Iraq-Afghanistan War lung injury (IAW-LI), among soldiers deployed to these countries as part of Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn. Not only do soldiers deployed to Iraq and Afghanistan suffer serious respiratory problems at a rate seven times that of soldiers deployed elsewhere, but the respiratory issues they present with show a unique pattern of fixed obstruction in half of cases, while most of the rest are clinically reversible new-onset asthma, in addition to the rare interstitial lung disease called nonspecific interstitial pneumonitis associated with inhalation of titanium and iron.

Iraq and Afghanistan veterans are faced with a barrage of respiratory insults, including: (1) dust from the sand, (2) smoke from the burn pits, (3) aerosolized metals and chemicals from exploded IEDs, associated with (4) blast overpressure or shock waves to the lung, (5) outdoor aeroallergens such as date pollen, and (6) indoor aeroallergens such as mold aspergillus. Researchers have experimentally exposed mouse models to samples of the dust taken from Iraq and Afghanistan and found that it produces extreme histological responses, underscoring the severe exposures that these soldiers undergo.

A case series study was recently presented at the American Thoracic Society international conference by Robert Miller, MD, of Vanderbilt University. Dr. Miller discussed a cohort of patients with constrictive bronchiolitis who were deployed in Iraq.

While clinicians and researchers have defined the condition, there is much we don't know. There are uncertainties regarding the number of service men and women who are experiencing deployment related respiratory illnesses. Complicating both clinical and research efforts is that fact that deployed troops do not receive pre and post deployment pulmonary function tests—in this case a simple spirometry test—that would help doctors know the extent of lung damage.

Further challenges include the spectrum of possible lung diseases that may be occurring from Southwest Asia exposures, such as asthma, constrictive bronchiolitis, acute eosinophilic pneumonia and rhinosinusitis, and the variability in exposures that may confer risk, including particulate matter from desert dusts, burn pits, vehicle exhaust and tobacco smoke.

Clinicians face a different set of challenges with this patient population, including the role of targeted medical surveillance in determining need for further respiratory diagnostic evaluation, and, importantly, the role of surgical lung biopsy in clinical diagnosis of post-deployment lung disease.

Attention is needed to address the respiratory illnesses suffered by returning service men and women. The ATS recommends the Department of Defense and the Department of Veterans Affairs take the following steps:

—The American Thoracic Society recommends all military personnel deployed in combat receive a pre- and post-deployment pulmonary function test.

- Support projects to establish more comprehensive normative pulmonary function test values for military men and women.
- The Department of Defense and the Department of Veterans Affairs jointly create and fund a program to study respiratory exposures of servicemen and women deployed in Iraq and Afghanistan. Potential goals of this joint research program could include:
 - Identify likely agents responsible for respiratory illnesses of returning OEF and OIF personal;
 - Consider potential population based and individual interventions to prevent or reduce exposure to causative agents; and
 - Support research into improved prevention, detection and treatments for deployment-related respiratory disease.
- Establish Centers of Excellence to facilitate improved research and clinical treatment of service men and women experiencing severe deployment-related respiratory illnesses.
- The Department of Defense and the Department of Veterans Affairs consider administrative standardized approaches to determining respiratory disability for deployment related respiratory illnesses.

The American Thoracic Society appreciates the opportunity to testify before the House Department of Defense Appropriations Subcommittee. We would be happy to answer any questions or provide follow up information.

Chairman INOUE. Dr. King, I thank you very much. Will you share with this subcommittee the results of your testing, your findings?

Dr. KING. Of my personal study?

Chairman INOUE. Yes.

Dr. KING. We have had 80 to 100 people from Fort Campbell in Kentucky referred to Vanderbilt University, where we've done extensive testing in patients, in whom we were unable to identify any other cause of potential respiratory symptoms. We did open-lung biopsies and found this constrictive bronchiolitis, which is an untreatable and irreversible condition, to which we speculate it is a reaction to some inhalational toxin experienced in Southwest Asia.

Chairman INOUE. Thank you.

Senator Cochran.

Senator COCHRAN. I think we owe you a debt of gratitude and thanks for bringing this to our attention. I think you can be assured we'll look into it and try to make a decision that responds to the challenge.

Dr. KING. Thank you very much.

Chairman INOUE. Senator Shelby.

Senator SHELBY. No comments. I just want to hear the witnesses. Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Our next witness is Ms. Dee Linde of the Dystonia Medical Research Foundation. Ms. Linde.

STATEMENT OF DEE LINDE, PATIENT ADVOCATE, DYSTONIA MEDICAL RESEARCH FOUNDATION

Ms. LINDE. Thank you, Mr. Chairman, and aloha nui loa to you.

Mr. Chairman and members of the Senate Defense Appropriations Subcommittee: Thank you for the opportunity to testify today. My name is Dee Linde and I am a dystonia patient and volunteer with the Dystonia Medical Research Foundation, or DMRS. As a veteran and former Navy petty officer, I am honored to testify before this subcommittee.

The DMRS is a patient-centered nonprofit organization dedicated to serving dystonia patients and their families. Dystonia is a neuro-

logical movement disorder that causes muscles to contract and spasm involuntarily. Dystonia is a chronic disorder whose symptoms vary in degrees of frequency, intensity, disability, and pain. Dystonia can be generalized or focal. Generalized dystonias affect all major muscle groups, resulting in twisting repetitive movements and abnormal postures. Focal dystonias affect a specific part of the body, such as the legs, arms, eyelids, or vocal cords.

Dystonia can be hereditary or caused by trauma, and it affects approximately 300,000 persons in the United States. At this time there is no cure for dystonia and treatment is highly individualized. Patients frequently rely on invasive therapies.

In 1995, after my Navy career, I started feeling symptoms for what would later be diagnosed as tardive dystonia, which is medication-induced dystonia. The symptoms started as uncontrollable shivering sensations. Over the next 2 years, the symptoms continued to worsen and I started feeling like I was being squeezed in a vise. My diaphragm was constricted and I couldn't breathe. I also had blepharospasm, a form of dystonia that forcibly shut my eyes, leaving me functionally blind even though there was nothing wrong with my vision.

My dystonia affected my entire upper body and for years my spasms wouldn't allow me to sit in a chair or sleep safely in bed with my husband. I spent those years having to sleep and even eat on the floor.

After I developed dystonia, I was forced to give up my private practice as a psychotherapist. Since I am a veteran, I receive all my medical care through the VA system. In 2000, I underwent surgery to receive deep brain stimulation (DBS). The neurosurgeon implanted leads into my brain that emit constant electrical pulses which interrupt the bad signals and help control my symptoms. Thanks to DBS, I have gone from being completely nonfunctional to having the ability to walk and move like a healthy individual. I'm happy to say that I am now almost completely symptom free.

The DMRS has received reports that the incidence of dystonia in the United States has noticeably increased since our military forces were deployed to Iraq and Afghanistan. A June 2006 article in *Military Medicine* titled "Post-Traumatic Shoulder Dystonia in an Active Duty Soldier" stated that: "Dystonia after minor trauma can be as crippling as a penetrating wound, with disability that renders the soldier unable to perform his duties."

Awareness of this disorder, dystonia, is essential to avoid mislabeling and possibly mistreating a true neurological disease. The Department of Defense peer-reviewed medical research program is the most essential program studying dystonia in military and veteran populations, and I myself was the consumer reviewer on this panel. This program is critical to developing a better understanding of the mechanisms connecting trauma and dystonia.

The dystonia community would like to thank the subcommittee for adding dystonia to the list of conditions eligible for study under the program in the fiscal year 2010 and 2011 defense appropriation bills. We urge the subcommittee to maintain dystonia as an eligible condition in the defense peer-reviewed medical research program in fiscal year 2012.

Thank you for allowing me the opportunity to address the subcommittee today.

Chairman INOUE. Ms. Linde, I thank you very much for your testimony and we will do our best.

Ms. LINDE. Thank you.

Chairman INOUE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, I have nothing further to add. We appreciate your presence and your advice and observations for the benefit of the subcommittee.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Nothing to add either, but I appreciate all of you being here.

Ms. LINDE. Thank you.

Chairman INOUE. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DEE LINDE

Mr. Chairman and members of the Senate Appropriations Defense Subcommittee, thank you for the opportunity to testify today. My name is Dee Linde, and I am a dystonia patient and volunteer with the Dystonia Medical Research Foundation or "DMRF." I am also a former Navy service member and I am honored to testify before this subcommittee. The DMRF is a patient-centered, nonprofit organization dedicated to serving dystonia patients and their families. The DMRF works to advance dystonia research, increase dystonia awareness, and provide support for those living with the disorder.

Dystonia is a neurological movement disorder that causes muscles to contract and spasm involuntarily. Dystonia is not usually fatal, but it is a chronic disorder whose symptoms vary in degrees of frequency, intensity, disability, and pain. Dystonia can be generalized or focal. Generalized dystonia affects all major muscle groups, resulting in twisting repetitive movements and abnormal postures. Focal dystonia affects a specific part of the body such as the legs, arms, hands, neck, face, mouth, eyelids, or vocal chords. Dystonia can be hereditary or caused by trauma, and it affects approximately 300,000 persons in the United States. At this time, there is no cure for dystonia and treatment is highly individualized. Patients frequently rely on invasive therapies like botulinum toxin injections or deep brain stimulation (DBS) to help manage their symptoms.

In 1995, after my Navy career, I started feeling symptoms for what would later be diagnosed as tardive dystonia, which is medication-induced dystonia. The symptoms started as an uncontrollable shivering sensation that often prompted people to ask me if I was cold. Over the next 2 years, the symptoms continued to worsen and I started feeling like I was being squeezed: my diaphragm was constricted and I couldn't breathe. I also had belfarospasm which meant that my eyes would shut forcibly and uncontrollably, leaving me functionally blind even though there was nothing wrong with my vision.

The tardive dystonia affected my entire upper body and for years my spasms didn't allow me to sit in a chair, or sleep safely in the bed with my husband. As a family joke, my mother made my husband a nose guard to wear because I kept hitting him during the night. I spent those years having to sleep and even eat on the floor. Before I developed dystonia, I had my own private practice as a licensed psychotherapist which I had to give up as a result of my spasms.

Because I have other service-connected disabilities and am considered 100 percent unemployable, I receive care at the Veterans hospital in Portland, Oregon. In 2000, I underwent surgery to receive deep brain stimulation (DBS). The surgeons implanted leads into my basil ganglia which is the part of the brain that controls movement. The leads emit electric pulses that interrupt the bad signals that my brain is sending to my body and allow me to control my movement. Thanks to DBS, I have gone from being completely non-functional, to having the ability to walk and to move like a healthy individual. I am happy to say that I am now almost completely symptom free. The battery packs for the DBS are implanted under my clavical, and I used to return to the hospital every 2 years to surgically replace them. In 2010, I had the new rechargeable battery implanted. This battery lasts for 9 years, and now I literally "recharge my batteries" for 2.5 hours at the end of every week.

The DMRF has received reports that the incidence of dystonia in the United States has noticeably increased since our military forces were deployed to Iraq and Afghanistan. This recent increase is widely considered to be the result of a well-documented link between traumatic injuries and the onset of dystonia. A June 2006 article in *Military Medicine*, titled "Post-Traumatic Shoulder Dystonia in an Active Duty Soldier" reported on dystonia experienced by military personnel and stated that "Dystonia after minor trauma can be as crippling as a penetrating wound, with disability that renders the soldier unable to perform his duties . . . awareness of this disorder [dystonia] is essential to avoid mislabeling, and possibly mistreating, a true neurological disease." As military personnel remain deployed for longer periods, we can expect dystonia prevalence in military and veterans populations to continue to rise.

Although Federal dystonia research is conducted through a number of medical and scientific agencies, the Department of Defense (DOD) Peer-Reviewed Medical Research Program remains the most essential program studying dystonia in military and veteran populations. This program is critical to developing a better understanding of the mechanisms connecting trauma and dystonia. The DMRF would like to thank the Subcommittee for adding dystonia to the list of conditions eligible for study under the DOD Peer-Reviewed Medical Research Program in the fiscal year 2010 and 2011 Defense Appropriation bills. The DMRF is excited to report that dystonia researchers were granted two awards in fiscal year 2010. We urge the Committee to maintain dystonia as a condition eligible for study through the Peer-Reviewed Medical Research Program in fiscal year 2012.

Thank you again for allowing me the opportunity to address the Subcommittee today. I hope you will continue to include dystonia as a condition eligible for study under the DOD Peer-Reviewed Medical Research Program. Below is a poem that I composed during one of my most difficult moments, and I hope this poem provides greater insight to the hardships and loneliness faced in enduring this disorder.

DYSHARMONIA

The twitch¹ doctor says it's dystonia
Which is far from the likes of harmonia
The muscles don't work in dystonia
But how graceful they are in harmonia
I can walk down the street
Without two left feet
I can hold my head high
Not low like a geek
I can keep both my eyes wide open
And swallow my food without chokin'
But that's with harmonia
And I've got dystonia
Which leaves me just feelin'
Alonia

¹ twitch doctor = Movement Disorder Specialist.

Chairman INOUE. Our next witness is Ms. Barbara Zarnikow, Interstitial Cystitis Association.

STATEMENT OF BARBARA ZARNIKOW, CO-CHAIR, INTERSTITIAL CYSTITIS ASSOCIATION

Ms. ZARNIKOW. Chairman Inouye, Ranking Member Cochran, and distinguished members of the Defense Subcommittee: Thank you for the opportunity to testify today, to present testimony today on interstitial cystitis, commonly known as "IC." I am Barbara Zarnikow from Buffalo Grove, Illinois. I am an IC patient and co-chair of the Interstitial Cystitis Association, a nonprofit organization which provides advocacy, research funding, and education for patients living with IC.

IC is a chronic debilitating condition characterized by recurring pain, pressure, and discomfort in the bladder and pelvic region. It is often associated with frequent and urgent urination. There is no known cause and it can take years to diagnose because it is often

misdiagnosed. There is not a test to diagnose IC, so it is diagnosed through the process of elimination of other diseases with similar symptoms.

IC affects an estimated 3 to 8 million women in the United States and is often believed to be primarily a women's disease. However, recent research shows that 1 to 4 million men suffer from IC as well. IC is a debilitating disease that has an impact on the quality of life similar to what's been reported by individuals suffering from end stage renal disease and rheumatoid arthritis. IC can cause patients to suffer from severe pain, sleep deprivation, high rates of depression, anxiety, and overall decline in quality of life. IC affects all aspects of a patient's life.

A study conducted between 1992 and 2002 found that approximately 1.4 percent of veterans served by the Veterans Health Administration were being treated for IC. The study also showed a 14 percent increase in patients being treated for IC in VHA during this same period.

IC is currently part of the Department of Defense peer-reviewed medical research program. This is so important because studies have shown that the incidence of IC in our population is much higher than previously thought.

A prime example of how IC can impact members of the military is former Navy Captain Gary Mowrey, retired, who was forced to cut his career short as a result of IC. Captain Mowrey was in the Navy for 25 years and has served as commander of the VAQ133 Squadron, operations officer on the USS *Dwight D. Eisenhower*, chief of the Enlisted Performance Division in the Bureau of Naval Personnel, and earned a Southwest Asia Service Medal with two stars for his service in Operation Desert Storm.

In 1994 he began to experience significant pelvic pain and could not always make it to the bathroom. He was not even able to sit through normal meetings. After months of unsuccessful antibiotic treatments for urinary tract infections, Captain Mowrey was diagnosed with IC, and shortly after retired due to the pain and limitations imposed by IC.

He then attempted to teach high school math, but had to retire from this position as well due to the pain, frequent urination, and fatigue associated with having to urinate 20 to 30 times each night. If you've ever had a bladder infection or know someone who has, imagine if that infection never went away and you had to live with these symptoms your entire life. That is IC.

On behalf of IC patients, including many veterans, we request IC continue to be eligible for the peer-reviewed medical research program for fiscal year 2012. Thank you for your time and consideration.

Chairman INOUE. Ms. Zarnikow, I thank you very much on behalf of the subcommittee. We appreciate it very much.

[The statement follows:]

PREPARED STATEMENT OF BARBARA GORDON, RD, EXECUTIVE DIRECTOR,
INTERSTITIAL CYSTITIS ASSOCIATION

Chairman Inouye, Ranking Member Cochran, and distinguished members of the Subcommittee, thank you for the opportunity to present information on Interstitial Cystitis (IC). The Interstitial Cystitis Association (ICA) provides advocacy, research funding, and education to ensure early diagnosis and optimal care with dignity for

people affected by IC. Until the biomedical research community discovers a cure for IC, our primary goal remains the discovery of more efficient and effective treatments to help patients live with the disease.

IC is a chronic condition characterized by recurring pain, pressure, and discomfort in the bladder and pelvic region. The condition is often associated with urinary frequency and urgency, although this is not a universal symptom. The cause of IC is unknown. Diagnosis is made only after excluding other urinary and bladder conditions, possibly causing 1 or more years of delay between the onset of symptoms and treatment. Men suffering from IC are often misdiagnosed with bladder infections and chronic prostatitis. Women are frequently misdiagnosed with endometriosis, inflammatory bowel disease (IBD), irritable bowel syndrome (IBS), vulvodynia, and fibromyalgia, which commonly co-occur with IC. When healthcare providers are not properly educated about IC, patients may suffer for years before receiving an accurate diagnosis and appropriate treatment.

Although IC is considered a “women’s disease,” scientific evidence shows that all demographic groups are affected by IC. Women, men, and children of all ages, ethnicities, and socioeconomic backgrounds develop IC, although it is most commonly found in women. Recent prevalence data reports that 3 to 8 million American women and 1 to 4 million American men suffer from IC. Using the most conservative estimates, at least 1 out of every 77 Americans suffer from IC, and further study may indicate prevalence rates as high as 1 out of every 28 people. Based on this information, IC affects more people than breast cancer, Alzheimer’s diseases, and autism combined.

The effects of IC are pervasive and insidious, damaging work life and productivity, psychological well-being, personal relationships, and general health. Quality of life studies have found that the impact of IC can equal the severity of rheumatoid arthritis and end-stage renal disease. Health-related quality of life in women with IC is worse than in women with endometriosis, vulvodynia, or overactive bladder alone. IC patients have significantly more sleep dysfunction, higher rates of depression, increased catastrophizing, anxiety and sexual dysfunction.

Although IC research is currently conducted through a number of Federal entities, including the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC), the DOD’s Peer-Reviewed Medical Research Program (PRMRP) remains essential. The PRMRP is an indispensable resource for studying emerging areas in IC research, such as prevalence in men, the role of environmental conditions such as diet in development and diagnosis, barriers to treatment, and IC awareness within the medical military community. Specifically, IC education and awareness among military medical professionals takes on heightened importance, as neither the President’s fiscal year 2012 budget request nor the Centers for Disease Control and Prevention’s fiscal year 2011 Operating Plan include renewed funding for the CDC’s IC Education and Awareness Program.

On behalf of ICA, and as an IC patient, I would like to thank the Subcommittee for including IC as a condition eligible for study under the DOD’s PRMRP in the fiscal years 2010 and 2011 DOD Appropriations bills. The scientific community showed great interest in the program, responding to the initial grant announcement with an immense outpouring of proposals. We urge Congress to maintain IC’s eligibility in the PRMRP in the fiscal year 2012 DOD Appropriations bill, as the number of current military members, family members, and veterans affected by IC is increasing.

Ms. ZARNIKOW. Thank you.

Senator COCHRAN. Thank you for your attendance. We appreciate your giving us this information and the observations you have about this problem.

Chairman INOUE. Senator Shelby.

Senator SHELBY. I thank the whole panel and I thank this woman who just gave this presentation. This is very interesting. It affects a lot of people. I know that.

Thank you, Mr. Chairman.

Ms. ZARNIKOW. It does affect a lot of people.

Chairman INOUE. Thank you very much.

Ms. ZARNIKOW. Thank you.

Chairman INOUE. Our next witness is Mr. Dane Christiansen, International Foundation for Functional Gastrointestinal Disorders.

STATEMENT OF DANE R. CHRISTIANSEN, DEVELOPMENT COORDINATOR, INTERNATIONAL FOUNDATION FOR FUNCTIONAL GASTROINTESTINAL DISORDERS

Mr. CHRISTIANSEN. Chairman Inouye, Ranking Member Cochran, Senator Shelby, and the distinguished members of the Defense Appropriations Subcommittee: Thank you for the opportunity to present testimony. My name is Dane Christiansen and I am testifying on behalf of the International Foundation for Functional Gastrointestinal Disorders, or IFFGD. We request that the subcommittee include functional gastrointestinal disorders on the list of conditions deemed eligible for study through the Department of Defense peer-reviewed medical research program within fiscal year 2012 defense appropriations legislation.

Founded in 1991, IFFGD is a nonprofit patient-driven organization dedicated to helping individuals affected by functional gastrointestinal and motility disorders. The phrase “functional gastrointestinal disorder” or “functional GI disorder” refers to a family of conditions where the nerves, muscles, and related mechanisms of the digestive tract do not function properly. The result is multiple, persistent, and often painful symptoms, ranging from nausea and vomiting to altered bowel habit.

Over two dozen functional gastrointestinal disorders have been identified. Severity ranges from bothersome to disabling and life-altering. The conditions may strike anywhere along the GI tract. One thing they have in common is that little is understood about their underlying mechanisms and as a result little is understood about treatment.

The few treatments available reduce symptoms in some but not all patients. These conditions are chronic, costly from a healthcare standpoint, impair productivity, and exact a tremendous toll in terms of quality of life. The onset of a functional gastrointestinal disorders can be triggered by infection of the GI tract and/or severe stress. Deployed military personnel face an elevated chance of experiencing these risk factors.

The 2010 Institute of Medicine (IOM) report that looked at health effects of serving in the gulf war concluded that there is sufficient evidence for an association between deployment and symptoms consistent with functional gastrointestinal disorders. Functional gastrointestinal disorders are one of the hallmarks of what was previously described as gulf war syndrome.

The Veterans Administration recognizes a presumption of service connection for the purposes of soldiers with functional gastrointestinal disorders applying for disability benefits.

In order to better articulate the suffering associated with functional gastrointestinal disorders, I would like to be the voice of Dr. Brennan Spiegel, a physician who regularly sees military personnel affected by these conditions. I'm quoting now:

“Those of us in the VA are now witnessing a near-epidemic emerging and that is chronic GI symptoms, like abdominal pain, nausea, vomiting, and diarrhea. The stories are heartbreaking and compelling and they are constant and unrelenting. Imagine having the stomach flu. Now think about having that every day and being told that we can't treat it very well.

“Every Monday morning at the West Los Angeles VA Medical Center, our clinic cares for at least 5 to 10 patients with service-related GI symptoms. Recently, a soldier entered my VA exam room square-jawed and battle-tested. Within minutes, he was crying, averting eye contact, and trying to explain that his life came to a near halt after kicking in a door one day in Tikrit. His abdomen was burning while in the moment and he stifled nausea to get through the event. Then, when it was over, he broke from his troop and threw up. It’s never stopped and that was 2 years ago.

“There are so many other stories like this. We’re making progress, but we don’t have good answers or good treatments.”

Please consider including functional gastrointestinal disorders on the eligible conditions list for the DOD peer-reviewed medical research program within fiscal year 2012 defense appropriations legislation. This would allow researchers to begin working to better understand, diagnose, and treat these conditions, particularly as they impact veterans and active duty military personnel.

Thank you for your time and your consideration of this request.
[The statement follows:]

PREPARED STATEMENT OF NANCY J. NORTON, PRESIDENT AND CO-FOUNDER,
INTERNATIONAL FOUNDATION FOR FUNCTIONAL GASTROINTESTINAL DISORDERS

Thank you for the opportunity to present the views of the International Foundation for Functional Gastrointestinal Disorders (IFFGD) regarding functional gastrointestinal disorders (FGIDs) among service personnel and veterans. I am here today to request that that the Subcommittee include FGIDs as a condition eligible for study in the Department of Defense (DOD) Peer-Reviewed Medical Research Program in fiscal year 2012.

Established in 1991, IFFGD is a patient-driven nonprofit organization dedicated to assisting individuals affected by functional GI disorders, and providing education and support for patients, healthcare providers, and the public at large. Our mission is to inform and support people affected by painful and debilitating digestive conditions, about which little is understood and few (if any) treatment options exist. The IFFGD also works to advance critical research on functional GI and motility disorders, in order to provide patients with better treatment options, and to eventually find a cure.

FGIDs are disorders in which the movement of the intestines, the sensitivity of the nerves of the intestines, or the way in which the brain controls intestinal function is impaired. People who suffer from FGIDs have no structural abnormality which makes it difficult to identify their condition using X-rays, blood tests or endoscopies. Instead, FGIDs are typically identified and defined by the collection of symptoms experienced by the patient. For this reason, it is not uncommon for FGID suffers to have unnecessary surgery, medication, and medical devices before receiving a proper diagnosis. Examples of FGIDs include irritable bowel syndrome (IBS) and functional dyspepsia. IBS is characterized by abdominal pain and discomfort associated with a change in bowel pattern, such as diarrhea and/or constipation. Symptoms of functional dyspepsia usually include an upset stomach, pain in the belly, and bloating.

FGIDs can be emotionally and physically debilitating. Due to persistent pain and bowel unpredictability, individuals who suffer from this disorder may distance themselves from social events, work, and even may fear leaving their home. Stigma surrounding bowel habits may act as barrier to treatment, as patients are not comfortable discussing their symptoms with doctors. Because FGID symptoms are relatively common and not life-threatening, many people dismiss their symptoms or attempt to self-medicate using over-the-counter medications.

In April 2010, the National Academy of Sciences (NAS) published a report titled “Gulf War and Health, Volume 8: Update on the Health Effects of Serving in the Gulf War” which determined that there is sufficient evidence to associate deployment to the gulf war and FGIDs, including IBS and functional dyspepsia. According to the report, there have been a large number of FGID cases among gulf war veterans, and their symptoms have continued to be persistent in the years since that war. The NAS report focused on the incidence of GI disorders among veterans and

did not attempt to determine causality. However, the report provides compelling evidence linking exposure to enteric pathogens during deployment and the development of FGIDs. The NAS recommended that further research be conducted on this association.

The Department of Defense (DOD) Peer-Reviewed Medical Research Program conducts important research on medical conditions that impact veterans and active duty military personnel. Given the conclusions of the NAS report, and the report's recommendations for further research on the link between FGIDs and exposures experienced by veterans in the gulf war, FGIDs would make an appropriate addition to the eligible conditions list for the Defense Medical Research Program. Therefore, we ask that you include "functional gastrointestinal disorders" as a condition eligible for study in the fiscal year 2012 DOD Peer-Reviewed Medical Research Program.

Thank you again for the opportunity to address the Subcommittee today. I hope you agree that the evidence linking FGIDs to service in the gulf war is compelling, and that you will include "functional gastrointestinal disorders" as a condition eligible for study in the Department of Defense Peer-Reviewed Medical Research Program in fiscal year 2012.

IBS INFORMATION

IBS, one of the most common functional GI disorders, strikes all demographic groups. It affects 30 to 45 million Americans, conservatively at least 1 out of every 10 people. Between 9 to 23 percent of the worldwide population suffers from IBS, resulting in significant human suffering and disability. IBS as a chronic disease is characterized by a group of symptoms that may vary from person to person, but typically include abdominal pain and discomfort associated with a change in bowel pattern, such as diarrhea and/or constipation. As a "functional disorder", IBS affects the way the muscles and nerves work, but the bowel does not appear to be damaged on medical tests. Without a definitive diagnostic test, many cases of IBS go undiagnosed or misdiagnosed for years. It is not uncommon for IBS suffers to have unnecessary surgery, medication, and medical devices before receiving a proper diagnosis. Even after IBS is identified, treatment options are sorely lacking and vary widely from patient to patient. What is known is that IBS requires a multidisciplinary approach to research and treatment.

Chairman INOUE. I thank you very much, Mr. Christiansen. Your request will be very seriously considered. Thank you.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you for bringing the witnesses to the subcommittee today to let us hear about these situations. I think we have an obligation to look carefully into the suggestions of service connection between the events in their military deployment and the symptoms that are later discovered. I hope we have enough people who are willing to devote attention to this so we can figure out a way to find a cure or medicinal palliatives that make it better or in any other way possible to help restore them to good health.

Chairman INOUE. Senator Shelby.

Senator SHELBY. What are the, say, two most promising areas of research in this area to date, dealing with all of these issues?

Mr. CHRISTIANSEN. I am not a physician like Dr. King. I would hate to comment. But we do work extensively to support and encourage research whenever possible. There is a number of areas where we're learning more and more about gut flora and the type of bacteria that is normally within the gut and how something like a GI infection or eating food or drinking water from a country or an area where health conditions aren't up to par may throw that balance off, allow things, pathogens, to leak deeper into the gut than they would normally be, and that would explain why the conditions are chronic as opposed to it just goes through your system and then you're okay a couple weeks later. So looking at the gut flora is becoming more and more of a promising area.

I would also say—and this is a little bit off of functional gastrointestinal disorders directly, but it applies to this whole larger family of functional GI motility disorders, particularly as it applies to veterans and members of the military—that tremendous steps are being made in regenerative medicine, trying to actually regrow parts of the digestive system that may not be working. The anal sphincter is a perfect example. There is tremendous efforts underway to actually in a lab setting repair and regrow anal sphincters, and if this—for example, if there’s a soldier who suffered an IED attack and significant pelvic floor damage, regenerative medicine could one day be at a point where he could get a new anal sphincter and return to a normal quality of life. So those are two areas I’d acknowledge off the top.

Senator SHELBY. Have there been studies to show that this is a higher rate of problems with military service personnel as opposed to the general population?

Mr. CHRISTIANSEN. Yes. The IOM report I previously cited, there was actually two IOM studies that looked at this. I’d be happy to share the results of those studies with the subcommittee. But it is—they had a very high threshold for acknowledging service connection and they found that the incidence was higher than it would be in the general population as a result of military service.

Senator SHELBY. Thank you.

Chairman INOUE. I thank you very much. I’d like to thank the panel.

Our next panel consists of: Ms. Kathleen Moakler, National Military Family Association; Chief Master Sergeant John R. “Doc” McCauslin, Air Force Sergeants Association; Captain Charles D. Connor, U.S. Navy retired, American Lung Association; Mr. Rick Jones, National Association for Uniformed Services.

Our first witness, Ms. Kathleen Moakler. Welcome.

STATEMENT OF KATHLEEN B. MOAKLER, GOVERNMENT RELATIONS DIRECTOR, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Thank you, Chairman Inouye, Senator Cochran, Senator Shelby, for allowing us to speak with you this morning about military families, our Nation’s families. We continue to share the concerns of military families with policymakers, as we have for over 40 years.

In the past several years, the National Military Family Association has done informal surveys with military families on our web site. In our most recent survey, when 1,200 family members responded on their top priorities, over 84 percent felt it was important that Congress and DOD focus on ensuring support programs meet the needs of families experiencing multiple deployments. Almost 80 percent felt that helping wounded service members and their families should be a top priority, and 78 percent felt that helping surviving families was an important priority.

We applaud the words of Defense Secretary Gates and Chairman Mullen before this subcommittee last week when they stressed the need for continued funding for military family programs and support of the wounded. Our association agrees that we will be dealing with the costs of these wars for years to come and we cannot afford

to shortchange our wounded warriors and our military families, who have sacrificed so much and will continue to sacrifice.

We also agree with Admiral Mullen that communities must join with DOD and the services to support service members, veterans, and military families in their midst. To help with that effort, our association has developed “Finding Common Ground,” a toolkit for communities supporting military families that includes easily achievable action items and useful resources to guide anyone who wants to support military families, but doesn’t know where to start. It can be downloaded for free at our website, militaryfamily.org.

Child care remains a concern for military families, as evidenced by a recent Pew Center on the States survey. We are pleased that, in addition to building new child development centers, DOD and the services are taking innovative steps to address these concerns by working to improve capacity in private child care agencies within States. But the need remains, especially for the families of the deployed National Guard and Reserve.

At our Operation Purple Healing Adventures Camp for families of the wounded, ill, and injured, families continue to tell us there is a tremendous need for child care services at or near military treatment facilities. Families need child care to attend medical appointments, especially mental healthcare appointments. Our association urges Congress to sustain funding and resources to meet the child care needs of military families, to include hourly, drop-in, and increased respite care across all services, for families of deployed service members and the wounded, ill, and injured, as well as those with special needs family members.

Our association also feels that funding to provide more dedicated resources, such as youth or teen centers, and enhanced partnerships with national youth-serving organizations, would be important ways to better meet the needs of our older youth and teens during deployment.

In 2009 the policy concerning the attendance of the media at the dignified transfer of remains at Dover Air Force Base was changed. Family members are now given the option of flying to Dover. In previous years only about 3 percent of family members attended this ceremony. Since the policy change, over 90 percent of families are sending members to Dover to attend. This is provided by the—the money for this is provided by the services and none of the costs have been funded. We would ask that funds be appropriated to cover the costs of this extraordinary expense.

Thank you for your long-term interest in support of—and support for military families. I look forward to any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF KATHLEEN B. MOAKLER

The National Military Family Association is the leading nonprofit organization committed to improving the lives of military families. Our over 40 years of accomplishments have made us a trusted resource for families and the Nation’s leaders. We have been at the vanguard of promoting an appropriate quality of life for active duty, National Guard, Reserve, retired service members, their families and survivors from the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

Association Volunteers and Representatives in military communities worldwide provide a direct link between military families and the Association staff in the Na-

tion's capital. These volunteers are our "eyes and ears," bringing shared local concerns to national attention.

The Association does not have or receive Federal grants or contracts.

Chairman Inouye and Distinguished Members of the Subcommittee, the National Military Family Association would like to thank you for the opportunity to present testimony for the record concerning the quality of life of military families—the Nation's families. In the 10th year of war, we continue to see the impact of repeated deployments and separations on our service members and their families. We appreciate your recognition of the service and sacrifice of these families. Your response through legislation to the increased need for support as situations have arisen has resulted in programs and policies that have helped sustain our families through these difficult times.

We recognize, too, the emphasis that the Administration is placing on supporting military families. The work of Mrs. Obama and Dr. Biden through the Joining Forces initiative in raising awareness of the sacrifices military families are making has been well received by the Nation and appreciated by our families. The American people are beginning to understand how 1 percent of our population in the United States is being called upon to bear 100 percent of the burden of defending our Nation, giving up years of family life together, and how they need the support of the other 99 percent of Americans to continue carrying that burden.

The recent Presidential Study Directive-9, which called on Federal agencies to outline how they are presently or could in the future support military families, reinforced Administration support as well. The vision of the study, as contained in the report *Strengthening Our Military Families, Meeting America's Commitment*, is, "to ensure that:

- The U.S. military recruits and retains the highest-caliber volunteers to contribute to the Nation's defense and security;
- Service members can have strong family lives while maintaining the highest state of readiness;
- Civilian family members can live fulfilling lives while supporting their service member(s); and
- The United States better understands and appreciates the experience, strength, and commitment to service of our military families.

This vision resonates with all that our Association has tried to work for during our 42 year history. We believe policies and programs should provide a firm foundation for families challenged by the uncertainties of deployment and transformation. Our Association cares about the health and resilience of military families. Innovative and evidence based approaches are essential to address the needs of military children. Families promote a service member's well-being. We realize support for service members and their families is not solely provided by the government. Communities also uphold the families.

Our Nation did not expect to be involved in such a protracted conflict. Our military families continue to require effective tools and resources to remain strong. We ask Congress, policymakers, non-government organizations, and communities to remain vigilant and respond in a proactive manner. Our Nation can express recognition for their sacrifices by promoting the well-being of military families.

In this statement, the National Military Family Association will expand on several issues of importance to military families: Family readiness, family health, and family transitions.

Family Readiness

Policies, programs and services must adapt to the changing needs of service members and families. Standardization in delivery, accessibility, and funding are essential. Educated and resourced families are able to take greater responsibility for their own readiness. Recognition should be given to the unique challenges facing families with special needs. Support should provide for families of all components, in every phase of military life, no matter where they live.

We appreciate provisions in the National Defense Authorization Acts and Appropriations legislation in the past several years that recognized many of these important issues. Excellent programs exist across the Department of Defense (DOD) and the Services to support our military families. There are redundancies in some areas and times when a new program was initiated before anyone looked to see if an existing program could be adapted to answer an evolving need. We realize all Americans will be asked to tighten their belts in this time of tighter budgets and some military family programs may need to be downsized or eliminated. We ask your support for programs that do work when looking for efficiencies, rewarding best practices and programs that are truly meeting the needs of families. While we understand that communities and non-government organizations may fill gaps in areas where gov-

ernment programs are lacking, we maintain DOD and the Department of Veterans Affairs (VA) still have a responsibility to provide an appropriate level of support for our service members, veterans, their families, and survivors. In this section we will highlight some of these best practices and identify needs.

Child Care

Child care remains a concern for military families, as evidenced by a recent Pew Center on the States survey (http://www.preknow.org/documents/2011_MilitaryFamiliesSurvey.pdf). We are pleased that in addition to building new Child Development Centers, DOD and the Services are taking innovative steps to address these concerns.

In December, DOD announced a new pilot initiative in 13 States aimed at improving the quality of child care within communities, which should translate into increased child care capacity for military families living in geographically dispersed areas. Last year, DOD contracted with SitterCity.com to help military families find caregivers and military subsidized child care providers. The military Services and the National Association of Child Care Resource and Referral Agencies (NACCRRRA) continue to partner to provide subsidized child care to families who cannot access installation based child development centers.

At our Operation Purple® Healing Adventures camp for families of the wounded, ill and injured, families continue to tell us there is a tremendous need for child care services at or near military treatment facilities. Families need child care to attend medical appointments, especially mental health appointments. Our Association encourages the expansion of drop-in child care for medical appointments on the DOD or VA premises or partnerships with other organizations to provide this valuable service.

We appreciate the requirement in the fiscal year 2010 National Defense Authorization Act calling for a report on financial assistance provided for child care costs across the Services and Components to support the families of service members deployed in support of a contingency operation and we look forward to the results.

Our Association urges Congress to sustain funding and resources to meet the child care needs of military families to include hourly, drop-in, and increased respite care across all Services for families of deployed service members and the wounded, ill, and injured, as well as those with special needs family members.

Working with Youth

Older children and teens must not be overlooked. School personnel need to be educated on issues affecting military students and must be sensitive to their needs. To achieve this goal, schools need tools. Parents need tools, too. Military parents constantly seek more resources to assist their children in coping with military life, especially the challenges and stress of frequent deployments. Parents tell us repeatedly they want resources to “help them help their children.” Support for parents in their efforts to help children of all ages is increasing, but continues to be fragmented. New Federal, public-private initiatives, increased awareness, and support by DOD and civilian schools educating military children have been developed. However, many military parents are either not aware such programs exist or find the programs do not always meet their needs.

Through our Operation Purple® camps, our Association has begun to identify the cumulative effects multiple deployments are having on the emotional growth and well-being of military children and the challenges posed to the relationship between deployed parent, caregiver, and children in this stressful environment. Understanding a need for qualitative analysis of this information, we commissioned the RAND Corporation to conduct a longitudinal study on the experience of 1,500 families. RAND followed these families for 1 year, and interviewed the non-deployed caregiver/parent and one child per family between 11 and 17 years of age at three time points over the year. Recruitment of participants was extremely successful because families were eager to share their experiences. The research addressed three key questions:

- How are school-age military children faring?
- What types of issues do military children face related to deployment?
- How are non-deployed caregivers handling deployment and what challenges do they face?

In January 2011, RAND released the report, “Views from the Homefront: The Experience of Youth and Spouses from Military Families” (http://www.rand.org/pubs/technical_reports/TR913.html), detailing the longitudinal findings. The research showed:

- Older teens reported more difficulties during deployment and reintegration.
- Girls reported more difficulties during reintegration.

- There were few differences on military characteristics, but reserve component youth reported more difficulties during deployment.
- Reserve component caregivers reported more challenges with deployment and reintegration.
- The total number of months away mattered more than the number of deployments.
- There is a direct correlation between the mental health of the caregiver and the well-being of the child.
- Quality of family communication mattered to both children and caregiver well-being.

What are the implications of these findings? Families facing longer deployments need targeted support—especially for older teens, girls and the reserve component. Support needs to be in place across the entire deployment cycle, including reintegration, and some non-deployed parents may need targeted mental health support. One way to address these needs would be to create a safe, supportive environment for older youth and teens. Dedicated installation Youth Centers with activities for our older youth would go a long way to help with this. Since many military families, especially those with older children, live off the installation, enhanced partnerships between DOD and national youth-serving organizations are also essential. DOD's current work with the 4-H program is an example of this outreach and support of military children in the community. DOD can encourage other organizations to share outreach strategies and work together to strengthen a network of support for military youth in their civilian communities. We must ensure, however, that, once we have encouraged these community organizations and services to engage with families, we also encourage installations and installation services to be collaborative and not set up roadblocks to interaction and support.

To address the issues highlighted by our research, our Association hosted a summit in May 2010, where we engaged with experts to develop research-based action items. Our Blue Ribbon Panel outlined innovative and pragmatic ideas to improve the well-being of military families, recognizing it is imperative solutions involve a broad network of government agencies, community groups, businesses, and concerned citizens.

We've published the recommendations from the summit in *Finding Common Ground: A Toolkit for Communities Supporting Military Families*. The toolkit is organized in a format similar to our Association's well-received *Military Kids and Teens Toolkits*. It contains cards for each of the intended communities—including Educators, Friends and Family, Senior leaders, Employers, and Health Care Providers—whose help is so important to military families. It also contains the summary document with the recommendations formulated by our Blue Ribbon Panel and summit participants.

Our goal was to create a user-friendly resource, with easily achievable action items and pertinent resources to guide everyone who wants to support military families, but may not know how. The toolkit lists concrete actions individuals, organizations, and communities can take to assist and support our military families. We hope that when someone receives a copy, they will go first to the card that most fits their relationship to military families and look for ideas and resources. We would like them to then take the time to explore other cards and the summit summary. While many of the suggested actions are simple, we've also presented some of the tougher things that require the building of partnerships and a longer-term focus. These actions are not exhaustive. It is our hope this toolkit will start conversations and stimulate action. Everyone can contribute—it doesn't need to be complicated or expensive. Just remembering to include military families in outreach is the beginning.

Our Association feels that funding to provide more dedicated resources, such as youth or teen centers and enhanced partnerships with national youth-serving organizations, would be important ways to better meet the needs of our older youth and teens during deployment.

Military Housing

In our recent study conducted by RAND, researchers found that living in military housing was related to fewer caregiver-reported deployment-related challenges. Fewer caregivers who lived in military housing reported their children had difficulties adjusting to parent absence (e.g., missing school activities, feeling sad, or not having peers who understand what their life is like) as compared to caregivers who rented homes. The study team explored the factors that determine a military family's housing situation in more detail. Among the list of potential reasons provided for the question, "Why did you choose to rent?" researchers found that the top three reasons parents/caregivers cited for renting included: military housing was not

available (31 percent), renting was most affordable (28 percent), and preference to not to invest in the purchase of a home (26 percent).

Privatized housing expands the opportunity for families to live on the installation and is a welcome change for military families. We are pleased with the annual report that addresses the best practices for executing privatized housing contracts. As privatized housing evolves, the Services are responsible for executing contracts and overseeing the contractors on their installations. With more joint basing, more than one Service often occupies an installation. The Services must work together to create consistent policies not only within their Service, but across the Services as well. Pet policies, deposit requirements, and utility policies are some examples of differences across installations and across Services. How will Commanders address these variances under joint basing? Military families face many transitions when they move, and navigating the various policies and requirements of each contractor is frustrating and confusing. It's time for the Services to increase their oversight and work on creating seamless transitions by creating consistent policies across the Services.

In the GAO Report "Military Housing: Enhancements Needed to Housing Allowance Process and Information Sharing among Services" GAO published in May 2011, GAO highlighted the military Services have consistently underestimated the amount needed to pay the basic allowance of housing by \$820 million to \$1.3 billion each year since 2006. Since the Services have underestimated the amount needed to pay the allowance, DOD has had to shift funds budgeted from other programs—which disrupts the funding to these program.

The key factor to underestimation is the timing of developing the budget process—it takes nearly 1 year to determine the rates. While this process is needed, it causes the Services to underestimate the true cost of the housing allowance. Rates are set in December—10 months after the President's budget is submitted to Congress and 2 months after the new fiscal year begins. In addition, changes in planned force structure (i.e. grow the force initiatives), and the increased use of mobilized reserve personnel (more personnel eligible to receive a housing allowance) present other challenges.

The same GAO report highlighted housing deficits ranging from 1 percent to 20 percent of the total demand at growth installations. While Military construction does not fall under the purview of this Committee, this Committee can help address the housing deficient by extending the use of the Temporary Lodging Expense Allowance. This allowance is designed to partially offset expenses when the service member occupies temporary quarters while relocating from one installation to another. Generally payable for up to 10 days—the Army has extended it up to 60 days at growth installations, such as Fort Drum and Fort Bliss.

We ask Congress to consider the importance of family well-being by addressing Basic Allowance for Housing (BAH) inequities.

We also ask for additional money to cover the housing allowance shortage.

We recommend that DOD provide the Services with the flexibility to extend the Temporary Lodging Expense Allowance at growth installations where there is a shortage of available housing.

Commissaries and Exchanges

The Military Personnel Subcommittee of the House Armed Services Committee (HASC) held two hearings this year to discuss the importance of sustaining Morale, Welfare, and Recreation (MWR) programs and the commissary and exchange systems. We maintain that these programs must not become easy targets for the budget cutters. The military resale hearing reinforced the importance of the commissary and exchange and stressed the need for them to remain fiscally sound without reducing the benefit to military families. Our Association feels strongly that these quality programs for military families should be preserved, especially during this era of increased budget austerity.

Our Association is concerned about one issue raised at the recent HASC resale hearing: the potential negative repercussions of the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA) on the military community. This legislation included a provision, Section 511, mandating Federal, State, and local governments to withhold 3 percent from payments for goods and services to contractors after December 31, 2010. While the implementation has been delayed until December 31, 2011, we believe this withholding requirement will have a direct impact on military families. We believe vendors who provide products sold in exchanges and commissaries will end up passing on the implementation costs to patrons and will be less willing to offer deals, allowances, promotions, and prompt payment discounts, which will thus diminish the value of the benefit for military families. The implementation costs for the exchange systems may also result in reduced dividends for

MWR programs, which already operate on tight budgets. Although our Association realizes this tax issue does not fall under the Senate Appropriations Committee's jurisdiction, we ask Congress to repeal Section 511 of TIPRA in order to protect this important benefit for military families. If full repeal is not possible, we urge Congress to exempt the Defense Commissary Agency, Exchanges and MWR programs from the withholding requirement. Military families, who have borne the burden of this war for nearly 10 years, should not have to incur additional costs at commissaries and exchanges due to the effects of this law, which will compromise their quality of life programs when they need them most.

The commissary benefit is a vital part of the compensation package for service members and retirees, and is valued by them, their families, and survivors. Our surveys and those conducted by DOD indicate that military families consider the commissary one of their most important benefits. In addition to providing average savings of more than 30 percent over local supermarkets, commissaries provide a sense of community. Commissary shoppers gain an opportunity to connect with other military families and are provided with information on installation programs and activities through bulletin boards and publications. Commissary shoppers also receive nutritional information through commissary promotions and campaigns, as well as the opportunity for educational scholarships for their children.

Active duty and reserve component families have benefitted greatly from the addition of case lot sales. Our Association thanks Congress for allowing the use of proceeds from surcharges collected at these sales to help defray their costs. Case lot sales continue to be extremely well received and attended by family members not located near an installation. According to Army Staff Sgt. Jenny Mae Pridemore, quoted in the Charleston Daily Mail, "We don't have easy access to a commissary in West Virginia and with the economy the way it is everyone is having a tough time. The soldiers and the airmen really need this support." On average, case lot sales save families between 40 and 50 percent compared to commercial prices. This provides tremendous financial support for our remote families, and is a tangible way to thank them for their service to our Nation.

In addition to commissary benefits, the military exchange system provides valuable cost savings to members of the military community, while reinvesting their profits in essential MWR programs. Our Association strongly believes that every effort must be made to ensure that this important benefit and the MWR revenue is preserved, especially as facilities are down-sized or closed overseas.

Our Association urges Congress to continue to protect the commissary and exchange benefits, and preserve the MWR revenue all of which are vital to maintaining a health military community.

We also ask Congress to repeal Section 511 of TIPRA. If full repeal is not achievable, we urge Congress to exempt the Defense Commissary Agency, Exchanges and MWR programs from this withholding requirement.

National Guard and Reserve

Our Association has long recognized the unique challenges our National Guard and Reserve families face and their need for additional support. Reserve component families are often geographically dispersed, live in rural areas, have service members deployed as individual augmentees, and do not consistently have the same family support programs as their active duty counterparts. According to the research conducted for us by the RAND Corporation, spouses of service members in the National Guard and Reserves reported poorer emotional well-being and greater household challenges than their full-time active duty peers. Our Association believes that greater access to resources supporting National Guard and Reserve caregivers is needed to further strengthen our reserve component families.

We appreciate the great strides that have been made in recent years by both Congress and the Services to help support our reserve component families. Our Association would like to thank Congress for the fiscal year 2011 NDAA provision authorizing travel and transportation for members of the Uniformed Services and up to three designees to attend Yellow Ribbon Reintegration Program events, and for the provision enhancing the Yellow Ribbon Reintegration Program by authorizing service and State-based programs to provide access to all service members and their families. We appreciate your ongoing support of the Yellow Ribbon Reintegration Program and ask that you continue funding this quality of life program for reserve component families.

Our Association is gratified that family readiness is now seen as a critical component to mission readiness. We have long believed that robust family programs are integral to maintaining family readiness, for both our active duty and reserve component families. We are pleased the Department of Defense Reserve Family Readiness

ness Award recognizes the top unit in each of the Reserve Components that demonstrate superior family readiness and outstanding mission readiness.

Our Association asks Congress to continue funding the Yellow Ribbon Reintegration Program and stresses the need for greater access to resources supporting our Reserve Component caregivers.

Flexible Spending Accounts

Congress has provided the Armed Forces with the authority to establish Flexible Spending Accounts (FSA), yet the Service Secretaries have not established these important tax savings accounts for service members. We are pleased H.R. 791 and S. 387 have been introduced to press each of the seven Service Secretaries to create a plan to implement FSAs for uniformed service members. FSAs were highlighted as a key issue presented to the Army Family Action Plan at their 2011 Department of the Army level conference. FSAs would be especially helpful for families with out-of-pocket dependent care and healthcare expenses. It is imperative that FSAs for uniformed service members take into account the unique aspects of the military lifestyle, such as Permanent Change of Station (PCS) moves and deployments, which are not compatible with traditional FSAs. We ask that the flexibility of a rollover or transfer of funds to the next year be considered.

Our Association supports Flexible Spending Accounts for uniformed service members that account for the unique aspects of military life including deployments and Permanent Change of Station moves.

Financial Readiness

Ongoing financial literacy and education is critically important for today's military families. Military families are not a static population; new service members join the military daily. For many, this may be their first job with a consistent paycheck. The youthfulness and inexperience of junior service members makes them easy targets for financial predators. Financial readiness is a crucial component of family readiness. The Department of Defense Financial Readiness Campaign brings financial literacy to the forefront and it is important that financial education endeavors include military families.

Our Association looks forward to the establishment of the Office of Service Member Affairs this July. We encourage Congress to monitor the implementation of this office to ensure it provides adequate support to service members and their families. Military families should have a mechanism to submit a concern and receive a response. The new office must work in partnership with DOD.

Military families are not immune from the housing crisis. We applaud Congress for expanding the Homeowners' Assistance Program to wounded, ill, and injured service members, survivors, and service members with Permanent Change of Station orders meeting certain parameters. We have heard countless stories from families across the Nation who have orders to move and cannot sell their home. Due to the mobility of military life, military homeowners must be prepared to be a landlord. We encourage DOD to continue to track the impact of the housing crisis on military families.

We appreciate the increase to the Family Separation Allowance (FSA) that was made at the beginning of the war. In more than 10 years, however, there has not been another increase. We ask that the Family Separation Allowance be indexed to the Cost of Living Allowance (COLA) to better reflect rising costs for services.

Our Association asks Congress to increase the Family Separation Allowance by indexing it to COLA.

Family Health

When considering changes to the healthcare benefit, our Association urges policy-makers to recognize the unique conditions of service and the extraordinary sacrifices demanded of military members and families. Repeated deployments, caring for the wounded, and the stress of uncertainty create a need for greater access to professional behavioral healthcare for all military family members.

Family readiness calls for access to quality healthcare and mental health services. Families need to be assured the various elements of their military health system are coordinated and working as a synergistic system. The direct care system of Military Treatment Facilities (MTFs) and the purchased care segment of civilian providers under the TRICARE contracts must work in tandem to meet military readiness requirements and ensure they meet access standards for all military beneficiaries.

Congress must provide timely and accurate funding for healthcare. DOD healthcare facilities must be funded to be "world class," offering state-of-the-art healthcare services supported by evidence-based research and design. Funding must also support the renovation of existing facilities or complete replacement of out-of-

date DOD healthcare facilities. As we close Walter Reed Army Medical Center and open the new Fort Belvoir Community Hospital and the new Walter Reed National Military Medical Center, as part of the National Capitol Region BRAC process, we must be assured these projects are properly and fully funded. We encourage Congress to provide any additional funding recommended by DOD and the Defense Health Board's BRAC Subcommittee's report.

Our Association recommends that DOD be funded to "world class", offering state-of-the-art healthcare services. Funding must also support renovation of existing facilities or replacement of out-of-date DOD healthcare facilities.

TRICARE Reimbursement

Our Association is concerned that continuing pressure to lower Medicare reimbursement rates will create a hollow benefit for TRICARE beneficiaries. We are appreciative Congress passed the Medicare and Medicaid Extenders Act of 2010 (Public Law 111-309), which provided a 1-year extension of current Medicare physician payment rates until December 31, 2011. As the 112th Congress takes up Medicare legislation this year, we ask you to consider how this legislation will impact military healthcare, especially our most vulnerable populations, our families living in rural communities, and those needing access to mental health services.

While we have been impressed with the strides TMA and the TRICARE contractors are making in adding providers, especially mental health providers to the networks, we believe more must be done to persuade healthcare and mental healthcare providers to participate and remain in the TRICARE system, even if that means DOD must raise reimbursement rates. We frequently hear from providers who will not participate in TRICARE because of what they believe are time-consuming requirements and low reimbursement rates. National provider shortages in the mental health field, especially in child and adolescent psychology, are exacerbated in many cases by low TRICARE reimbursement rates, TRICARE rules, or military-unique geographic challenges, such as large military beneficiary populations in rural or traditionally underserved areas. Many mental health providers are willing to see military beneficiaries on a voluntary status. We need to do more to attract mental health providers to join the TRICARE network. Increasing reimbursement rates is just one way of enticing them.

Since TRICARE payments are linked to Medicare payments, we need Medicare reimbursement rates to be increased to improve access to providers.

DOD will need additional funding to offset proposed TRICARE savings through increasing TRICARE Prime Retiree enrollment fees and changes to the Pharmacy copays enacted by Congress.

Cost Saving Strategies in the 2012 Budget

We appreciate DOD's continued focus on cost savings strategies in the 2012 budget. DOD's proposed TRICARE changes include a change in enrollment fees for TRICARE Prime for under age 65 retirees and a change in pharmacy co-pays. DOD should also incur savings through better management of healthcare costs. Our Association has always supported a mechanism to provide for modest increases to TRICARE Prime enrollment fee for retirees under age 65. TRICARE Prime, the managed care option for military beneficiaries, provides guaranteed access, low out of pocket costs, additional coverage, and more continuity of care than the basic military health benefit of TRICARE Standard. The annual enrollment fee of \$230 per year for an individual retiree or \$460 for a family has not been increased since the start of TRICARE Prime in 1995.

We agree that DOD's proposed fiscal year 2012 increase of \$5 per month per family and \$2.50 per month per individual plan is indeed modest. We applaud DOD for deciding not to make any changes to the TRICARE benefit for active duty, active duty family members, medically retired service members, and survivors of service members and for not making any changes to the TRICARE Standard and TRICARE for Life (TFL) benefit.

We have some concerns regarding DOD's selection of a civilian-based index in determining TRICARE Prime retiree enrollment fee increases after 2012. Our Association has always supported the use of Cost of Living Allowance (COLA) as a yearly index tied to TRICARE Prime retiree enrollment fee increases. We believe if DOD thought the rate of \$230 for individual and \$460 for family was appropriate in 1995, then yearly increases tied to COLA would maintain that same principle. Our objection to the utilization of a civilian index is based on our concern that civilian healthcare experts cannot agree on an accurate index on which to base civilian healthcare yearly cost increases. The Task Force on the Future of Military Health Care "strongly recommended that DOD and Congress accept a method for indexing that is annual and automatic." However, the Task Force recommended "using a ci-

vilian-only rather than total cost (including civilian and MTF costs for Prime beneficiaries) because the Task Force and DOD have greater confidence in the accuracy of the civilian care data and its auditability.” We ask Congress to adopt the Task Force’s DOD accountability recommendation and require DOD to become more accurate and establish a common cost accounting system across the MHS. Until it can do so, however, we believe increases tied to COLA are the most fair to beneficiaries and predictable for DOD.

We do not support DOD’s budget proposal to change the U.S. Family Health Plan (USFHP) eligibility, asking newly enrolled beneficiaries to transition from USFHP once they become Medicare/TRICARE for Life eligible. Our Association believes USFHP is already providing TMA’s medical home model of care, maintaining efficiencies, capturing savings, and improving patient outcomes. Every dollar spent in preventative medicine is captured later when the onset of beneficiary co-morbid and chronic diseases are delayed. It is difficult to quantify the long-term savings not only in actual cost to the healthcare plan—and thus to the government—but to the improvement in the quality of life for the beneficiary. Removing beneficiaries from USFHP at a time when they and the system will benefit the most from their preventative and disease management programs would greatly impact the continuity and quality of care to our beneficiaries and only cost shift the cost of their care from one government agency to another. Almost all USFHP enrollees already purchase Medicare Part B in case they decide to leave the plan or spend long periods of time in warmer parts of the country. There must be another mechanism in which beneficiaries would be allowed to continue in this patient-centered program. USFHP also meets the Patient Protection and Accountability Care Act’s definition of an Accountable Care Organization. They certainly have the model of care desired by civilian healthcare experts and should be used by DOD as a method to test best-practices that can be implemented within the direct care system.

Our Association understands the need for TRICARE to align itself with Medicare reimbursement payments. DOD’s proposal to implement reimbursement payment for Sole Community Hospitals is another example of its search for efficiencies. According to TMA, 20 hospitals that serve military beneficiaries could be affected by this change. We appreciate the 4-year phased-in approach. However, our Association recommends Congress encourage TMA to reach out to these hospitals and provide waivers if warranted and provide oversight to ensure beneficiaries aren’t unfairly impacted by this proposal.

Our Association approves of DOD’s modest increase to TRICARE Prime enrollment fees for working age retirees.

We recommend that future increases to TRICARE Prime enrollment fees for working age retirees be indexed to retired pay cost of living adjustments and support legislative language in the House NDAA fiscal year 2012.

We recommend that Medicare-eligible beneficiaries using the USFHP be allowed to remain in the program and Congress should continue to fund this TRICARE option for beneficiaries.

We recommend Congress encourage TMA to reach out to Sole Community hospitals serving large numbers of military beneficiaries and provide waivers if warranted. Congress may need to provide additional funding to help offset this proposed reimbursement change by TMA.

Other Cost Saving Proposals

We ask Congress to establish better oversight for DOD’s accountability in becoming more cost-efficient. We recommend:

- Requiring the Comptroller General to audit MTFs on a random basis until all have been examined for their ability to provide quality healthcare in a cost-effective manner.
- Creating a committee, similar in nature to the Medicare Payment Advisory Commission, to provide oversight of the DOD Military Health System (MHS) and make annual recommendations to Congress. The Task Force on the Future of Military Health Care often stated it was unable to address certain issues not within their charter or within the timeframe in which they were commissioned to examine the issues. This Commission would have the time to examine every issue in an unbiased manner.
- Establishing a Unified “Joint” Medical Command structure. This was recommended by the Defense Health Board in 2006 and 2009 and included in the U.S. House Armed Service Committee’s fiscal year 2011 NDAA proposal and passed by the House of Representatives.

We are supportive of TMA’s movement toward a medical home model of patient and family centered care within the direct and purchase care systems. An integrated healthcare model, where beneficiaries will be seen by the same healthcare team fo-

cused on well-being and prevention, is a well-known cost saver for healthcare expenditures. Our concern is with the individual Services' interpretation of the medical home model and its ability to truly function as designed. Our MTFs are still undergoing frequent provider deployments; therefore, the model must be staffed well enough to absorb unexpected deployments to theater, normal staff rotation, and still maintain continuity of providers within the medical home.

Our Association believes right-sizing to optimize MTF capabilities through innovating staffing methods; adopting coordination of care models, such as medical home; timely replacement of medical facilities utilizing "world class" and "unified construction standards;" and increased funding allocations, would allow more beneficiaries to be cared for in the MTFs. This would be a win-win situation because it increases MTF capabilities, which DOD asserts is the most cost effective. It also allows more families, who state they want to receive care within the MTF, the opportunity to do so. The Task Force made recommendations to make the DOD MHS more cost-efficient, which we support. They conclude the MHS must be appropriately sized, resourced, and stabilized and make changes in its business and healthcare practices. We encourage Congress to include the recommendations of the Task Force on the Future of Military Health Care in this year's fiscal year 2012 NDAA. These include:

- Restructuring TMA to place greater emphasis on its acquisition role.
- Examining and implementing strategies to ensure compliance with the principles of value-driven healthcare.
- Incorporating health information technology systems and implementing transparency of quality measures and pricing information throughout the MHS. (This is also a civilian healthcare requirement in the recently passed Patient Protection and Affordable Care Act.)
- Reassessing requirements for purchased care contracts to determine whether more cost effective strategies can be implemented.
- Removing systemic obstacles to the use of more efficient and cost-effective contracting strategies.

Wounded Service Members Have Wounded Families

Our Association asserts that behind every wounded service member and veteran is a wounded family. It is our belief the government, especially the DOD and VA, must take a more inclusive view of military and veterans' families. Those who have the responsibility to care for the wounded, ill, and injured service member must also consider the needs of the spouse, children, parents of single service members and their siblings, and the caregivers. DOD and VA need to think proactively as a team and one system, rather than separately; and addressing problems and implementing initiatives upstream while the service member is still on active duty status.

Reintegration programs become a key ingredient in the family's success. For the past 3 years, we have piloted our Operation Purple® Healing Adventures camp to help wounded, ill, and injured service members and their families learn to play again as a family. We hear from the families who participate in this camp, as well as others dealing with the recovery of their wounded service members, that, even with Congressional intervention and implementation of the Services' programs, many issues still create difficulties for them well into the recovery period. Families find themselves having to redefine their roles following the injury of the service member. They must learn how to parent and become a spouse/lover with an injury. Each member needs to understand the unique aspects the injury brings to the family unit. Parenting from a wheelchair brings a whole new challenge, especially when dealing with teenagers. Parents need opportunities to get together with other parents who are in similar situations and share their experiences and successful coping methods. Our Association believes all must focus on treating the whole family, with DOD and VA programs offering skill based training for coping, intervention, resiliency, and overcoming adversities. Injury interrupts the normal cycle of deployment and the reintegration process. DOD, the VA, and non-governmental organizations must provide opportunities for the entire family and for the couple to reconnect and bond, especially during the rehabilitation and recovery phases.

DOD and the VA must do more to work together both during the treatment phase and the wounded service member's transition to ease the family's burden. They must break down regulatory barriers to care and expand support through the Vet Centers the VA medical centers, and the community-based outpatient clinics (CBOCs). We recommend DOD partner with the VA to allow military families access to mental health services throughout the VA's entire network of care using the TRICARE benefit. Before expanding support services to families, however, VA facilities must establish a holistic, family centered approach to care when providing men-

tal health counseling and programs to the wounded, ill, and injured service member or veteran.

We remain concerned about the transition of wounded, injured, and ill service members and their families from active duty status to that of the medically retired. While we are grateful, DOD has proposed to exempt medically retired service members, survivors, and their families from the TRICARE Prime enrollment fee increases, we believe wounded service members need even more assistance in their transition. We continue to recommend that a legislative change be made to create a 3-year transition period in which medically retired service members and their families would be treated as active duty family members in terms of TRICARE fees, benefits, and MTF access. This transition period would mirror that currently offered to surviving spouses and would allow the medically retired time to adjust to their new status without having to adjust to a different level of TRICARE support.

Case Management.—Our Association still finds families trying to navigate a variety of complex healthcare systems alone, trying to find the right combination of care. Our most seriously wounded, ill, and injured service members, veterans, and their families are often assigned multiple case managers. Families often wonder which one is the “right” case manager. We believe DOD and the VA must look at whether the multiple, layered case managers have streamlined the process or have only aggravated it. We know the goal is for a seamless transition of care between DOD and the VA. However, we continue to hear from families, whose service member is still on active duty and meets the Federal Recovery Coordinator (FRC) requirement, who have not been told FRCs exist or that the family qualifies for one. We are awaiting the Government Accountability Office’s (GAO) FRC report to determine how that program is working in caring for our most seriously wounded, ill, and injured service members and veterans and what can be done to improve the case management process.

Caregivers of the Wounded

Caregivers need to be recognized for the important role they play in the care of their loved one. Without them, the quality of life of the wounded service members and veterans, such as physical, psycho-social, and mental health, would be significantly compromised. They are viewed as an invaluable resource to DOD and VA healthcare providers because they tend to the needs of the service members and the veterans on a regular basis. And, their daily involvement saves DOD, VA, and State agency healthcare dollars in the long run. Their long-term psychological care needs must be addressed. Caregivers of the severely wounded, ill, and injured service members who are now veterans have a long road ahead of them. In order to perform their job well, they will require access to mental health services.

The VA has made a strong effort in supporting veterans’ caregivers. DOD should follow suit and expand its definition, which still does not align with Public Law 111–163. We appreciate the inclusion in fiscal year 2010 NDAA of compensation for service members with assistance in everyday living and the refinement in fiscal year 2011 NDAA. The VA recently released their VA Caregiver Implementation Plan. Our Association had the opportunity to testify at a recent House Veterans’ Affairs Committee hearing Implementation of Caregiver Assistance: Are we getting it right? about our concerns related to the VA’s caregiver implementation plan. We believe the VA is waiting too long to provide valuable resources to caregivers of our wounded and injured service members and veterans who had served in Operation Iraqi Freedom/Operation Enduring Freedom/Operation New Dawn (OIF/OEF/OND). The intent of the law was to allow caregivers to receive value-added benefits in a timely manner in order to improve the caregiver’s overall quality of life and train them to provide quality of care to their service member and veteran. The VA’s interpretation also has the potential to impact the DOD’s Special Compensation for Service Members law passed as part of fiscal year 2010 NDAA and modified in fiscal year 2011. The one area of immediate concern is the potential gap in financial compensation when the service member transitions to veteran status. The VA’s application process and caregiver validation process appear to be very time intensive. The DOD compensation benefit expires at 90-days following separation from active duty. Other concerns include:

- Narrower eligibility requirements than what the law intended;
- Lack of illness being covered, such as cancer from a chemical exposure;
- Delay in the caregiver’s receipt of healthcare benefits if currently uninsured, respite care, and training; and
- Exclusion of non-medical care from the VA’s caregiver stipend.

The VA’s decision to delay access to valuable training may force each Service to begin its own training program. Thus, each Service’s training program will vary in its scope and practice and may not meet VA’s training objectives. This disconnect

could force the caregiver to undergo two different training programs in order to provide and care and receive benefits.

Our Association also believes the current laws do not go far enough. Compensation of caregivers should be a priority for DOD and the Secretary of Homeland Security. Non-medical care should be factored into DOD's compensation to service members. The goal is to create a seamless transition of caregiver benefit between DOD and the VA. We ask Congress to assist in meeting that responsibility. Congress will need to be ready to fully fund both DOD and VA caregiver benefit programs.

The VA currently has eight caregiver assistance pilot programs to expand and improve healthcare education and provide needed training and resources for caregivers who assist disabled and aging veterans in their homes. DOD should evaluate these pilot programs to determine whether to adopt them for caregivers of service members still on active duty. Caregivers' responsibilities start while the service member is still on active duty. Congress will need to fund these pilot programs.

Relocation Allowance and Housing for Medically-Retired Single Service Members.—Active Duty service members and their spouses qualify through the DOD for military orders to move their household goods when they leave the military service. Medically retired service members are given a final PCS move. Medically retired married service members are allowed to move their family; however, medically retired single service members only qualify for moving their own personal goods.

Our Association suggests that legislation be passed to allow medically retired single service members the opportunity to have their caregiver's household goods moved as a part of the medical retired single service member's PCS move. This should be allowed for the qualified caregiver of the wounded service member and the caregiver's family (if warranted), such as a sibling who is married with children, or mom and dad. This would allow for the entire caregiver's family to move, not just the caregiver. The reason for the move is to allow the medically retired single service member the opportunity to relocate with their caregiver to an area offering the best medical care, rather than the current option that only allows for the medically retired single service member to move their belongings to where the caregiver currently resides. The current option may not be ideal because the area in which the caregiver lives may not be able to provide all the healthcare services required for treating and caring for the medically retired service member. Instead of trying to create the services in the area, a better solution may be to allow the medically retired service member, their caregiver, and the caregiver's family to relocate to an area where services already exist.

The decision on where to relocate for optimum care should be made with the FRC (case manager), the service member's medical physician, the service member, and the caregiver. All aspects of care for the medically retired service member and their caregiver shall be considered. These include a holistic examination of the medically retired service member, the caregiver, and the caregiver's family for, but not limited to, their needs and opportunities for healthcare, employment, transportation, and education. The priority for the relocation should be where the best quality of services is readily available for the medically retired service member and his/her caregiver.

The consideration for a temporary partial shipment of caregiver's household goods may also be allowed, if deemed necessary by the case management team.

We ask Congress to allow medically retired service members and their families to maintain the active duty family TRICARE benefit for a transition period of 3 years following the date of medical retirement, comparable to the benefit for surviving spouses.

Service members medically discharged from service and their family members should be allowed to continue for 1 year as active duty for TRICARE and then start the Continued Health Care Benefit Program (CHCBP) if needed.

Congress will need to fully fund training, compensation and other support programs for caregivers of the wounded, ill and injured because of the important role they play in the successful rehabilitation and care of the service member and veteran.

We request legislation funding medically retired single service members to have their caregiver's household goods moved as a part of their final PCS move.

Congress will need to fully fund DOD's Caregiver Compensation benefit for military service members and the VA's caregiver benefit for caregivers.

Senior Oversight Committee

Our Association is appreciative of the provision in the fiscal year 2009 NDAA continuing the DOD and VA Senior Oversight Committee (SOC) until December 2010. The DOD established the Office of Wounded Warrior Care and Transition Policy to take over the SOC responsibilities. The Office has seen frequent leadership and staff

changes and a narrowing of its mission. We urge Congress to put a mechanism in place to continue to monitor this Office for its responsibilities in maintaining DOD and VA's partnership and making sure joint initiatives create a seamless transition of services and benefits for our wounded, ill, and injured service members, veterans, their families, and caregivers.

Defense Centers of Excellence

A recent GAO report found the Defense Centers of Excellence (DCoE) for Psychological Health and Traumatic Brain Injury has been challenged by a mission that lacked clarity and by time-consuming hiring practices. DCoE has experienced a lack of adequate funding hampering their ability to hire adequate staff and begin to provide care for the patient population as they were created to address. These include the Vision Center of Excellence, Hearing Center of Excellence, and the Traumatic Extremity Injury and Amputation Center of Excellence. We recommend Congress immediately fund these Centers and require DOD to provide resources to effectively establish these Centers and meet DOD's definition of "world class" facilities.

The Defense Centers of Excellence is providing a transition benefit for mental health services for active duty service members, called inTransition. Our Association recommends this program be expanded to provide the same benefit to active duty spouses and their children. Families often complain about the lack of seamless transition of care when they PCS. This program will not only provide a warm hand-off between mental health providers when moving between and within Regions, but more importantly, enable mental health services to begin during the move, when families are between duty stations and most vulnerable.

We must educate those who care for our service members and veterans about the effects of Traumatic Brain Injury (TBI), Post-Traumatic Stress (PTS), Post-Traumatic Stress Disorder (PTSD), and suicide in order to help accurately diagnose and treat the service member/veteran's condition. These families are on the "sharp end of the spear" and are more likely to pick up on changes attributed to either condition and relay this information to their healthcare providers. Families need tools to help them deal with the daily issues that arise when living with and caring for a service member or veteran with TBI and/or PTS/PTSD. Programs are being developed by each Service. However, they are narrow in focus targeting line leaders and healthcare providers, but not broad enough to capture our military family members and the communities they live in. As Services roll out suicide prevention programs, we need to fund programs that include our families, communities, and support personnel. The Deployment Health Clinical Center (DHCC), an umbrella organization to DCoE, offers a 3 week PTSD course for service members and a separate 1-week course for their family members. These programs are making a difference in the quality of the service members and their families lives. Currently, the family member PTSD program is funded by a nonprofit organization. These programs need to continue; therefore, they need to be fully funded by Congress.

Our Association encourages all Congressional Committees with jurisdiction over military personnel and veterans matters to talk on these important issues. Congress, DOD, and VA can no longer continue to create policies in a vacuum and focus on each agency separately because our wounded, ill, and injured service members and their families need seamless, coordinated support from each.

We recommend Congress immediately fund the Vision Center of Excellence, Hearing Center of Excellence, and the Traumatic Extremity Injury and Amputation Center of Excellence and require DOD to provide resources to effectively establish these Centers and meet DOD's definition of "world class" facilities.

We recommend Congress fully fund DHCC's PTSD programs for service members and their family members as they may continue uninterrupted.

We recommend the "inTransition" program be expanded to provide the same benefit to active duty family members. This program would need to be funded to be expanded to include them.

Family Transitions

Policies and programs must provide training and support for families during the many transitions military families experience. Quality education for spouses and children, financial literacy, and spouse career progression need attention. When families experience a life-changing event, they require a responsive system to support them. Our Nation must continue to ensure our surviving family members receive the support they deserve.

Survivors

The Services continue to improve their outreach to surviving families. In particular, the Army's SOS (Survivor Outreach Services) program makes an effort to remind these families they are not forgotten. We most appreciate the special consid-

eration, sensitivity, and outreach to the families whose service members have committed suicide. We would like to acknowledge the work of the Tragedy Assistance Program for Survivors (TAPS) in this area as well. They have developed unique outreach to these families and held support conferences to help surviving family members navigate what is a very difficult time with many unanswered questions. DOD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need, through all of VA's venues. We believe Congress must grant authority to allow coverage of bereavement or grief counseling under the TRICARE behavioral health benefit. The goal is the right care at the right time for optimum treatment effect.

In 2009, the policy concerning the attendance of the media at the dignified transfer of remains at Dover AFB was changed. Primary next-of-kin (PNOK) of the service member who dies in theater is asked to make a decision shortly after they are notified of the loss as to whether or not the media may film the dignified transfer of remains of their loved one during this ceremony. Family members are also given the option of flying to Dover themselves to witness this ceremony. In previous years, only about 3 percent of family members attended this ceremony. Since the policy change, over 90 percent of families send some family members to Dover to attend. The travel of up to 3 family members and the casualty assistance officer on a commercial carrier are provided for. In the NDAA fiscal year 2010, eligible family member travel to memorial services for a service member who dies in theater was authorized. This is in addition to travel to the funeral of the service member. None of the costs associated with this travel has been funded for the Services. We would ask that funds be appropriated to cover the costs of this extraordinary expense.

Our Association recommends that grief counseling be more readily available to survivors as a TRICARE benefit.

We ask that funding be appropriated for the travel costs for surviving family members to attend the dignified transfer of remains in Dover and for eligible surviving family members to attend memorial services for service members who die in theater.

Our Association still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct an inequity that has existed for many years. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment paid by the VA to the survivor when the service member's service causes his or her death. The SBP annuity, paid by DOD, reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Military retirees who elect SBP pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service-connected disability, their survivor becomes eligible for DIC.

Surviving active duty spouses can make several choices, dependent upon their circumstances and the ages of their children. Because SBP is offset by the DIC payment, the spouse may choose to waive this benefit and select the "child only" option. In this scenario, the spouse would receive the DIC payment and the children would receive the full SBP amount until each child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (23 if in college). Once the children have left the house, this choice currently leaves the spouse with an annual income of \$13,848, a significant drop in income from what the family had been earning while the service member was alive and on active duty. The percentage of loss is even greater for survivors whose service members served longer. Those who give their lives for their country deserve more fair compensation for their surviving spouses.

We believe several other adjustments could be made to the Survivor Benefit Plan. Allowing payment of the SBP benefits into a Special Needs Trust in cases of disabled beneficiaries will preserve their eligibility for income based support programs. The government should be able to switch SBP payments to children if a surviving spouse is convicted of complicity in the member's death.

We believe there needs to be DIC equity with other Federal survivor benefits. Currently, DIC is set at \$1,154 monthly (43 percent of the Disabled Retirees Compensation). Survivors of Federal workers have their annuity set at 55 percent of their Disabled Retirees Compensation. Military survivors should receive 55 percent of VA Disability Compensation. We are awaiting the overdue report. We support raising DIC payments to 55 percent of VA Disability Compensation. When changes are made, we ask Congress to ensure that DIC eligibles under the old system receive an equivalent increase.

Imagine that you have just experienced the death of your spouse, a retired service member. In your grief, you navigate all the gates you must, fill out paperwork, notify all the offices required. Then, the overdrawn notices start showing up in your mailbox. Bills that you thought had been paid at the beginning of the month suddenly appear with "overdue" on them. Retirees are paid proactively, that is, they receive retired pay for the upcoming month i.e. on May 31, a retiree receives retired pay for the month of June. Presently, the government has the authority to take back the full month's pay from the retiree's checking account when that retiree dies. Payment for the number of days the retiree was alive in the month is subsequently returned to the surviving spouse. The VA, on the other hand, allows the surviving spouse to keep the last month of disability pay. We support H.R. 493, which would allow the surviving spouse or family to keep the last month of retired pay to avoid financial penalties caused by the decrease of funds in a checking account.

We ask the DIC offset to SBP be eliminated to recognize the length of commitment and service of the career service member and spouse. We support H.R. 178 and S. 260, which both provide for that elimination.

We also request that SBP benefits be allowed to be paid to a Special Needs Trust in cases of disabled family members.

We ask that DIC be increased to 55 percent of VA Disability Compensation.

We support H.R. 493, "The Military Retiree Survivor Comfort Act", to provide for forgiveness of overpayments of retired pay paid to deceased retired members of the Armed Forces following their death.

Education of Military Children

Military families place a high value on the quality of their children's education. It is a leading factor in determining many important family decisions, such as volunteering for duty assignments, choosing to accompany the service member or staying behind, selecting where a family lives within their new community, deciding whether to spend their financial resources on private school, or considering homeschooling options. It can even impact a families' decision to remain in the Service.

Military families want quality education for their children just as their civilian counterparts do. It is important to remember that military families define "quality of education" differently. For military families, it is not enough for children to be doing well in their current schools they must also be prepared for the next location. Most military children will move at least twice during their high school years and most will attend six to nine different schools between kindergarten and 12th grade. Although the Interstate Compact on Educational Opportunity for Military Children is helping to alleviate many of the transition issues our families face when moving, it does not address the quality of education in our schools. Though many of our civilian schools are already doing an excellent job of educating and supporting our military children, we believe military children deserve a quality education wherever they may live. That is why our Association has spent over 40 years working to improve education for our military children and empowering parents to become their children's best advocate.

With more than 90 percent of military-connected students now attending civilian schools, our Association is pleased that the Department of Defense has completed a 90-day preliminary assessment of how to provide a world-class education for all of the 1.2 million school-aged children, not just those under the Department of Defense Education Activity's (DODEA) purview. Our Association was invited by Dr. Clifford L. Stanley, Under Secretary of Defense for Personnel and Readiness, to participate in the Education Review Debriefing and to offer our insights on the way ahead. We look forward to the final report and to working with DOD to support its implementation. We thank the Department of Defense for the educational support programs already available to military children, such as the tutoring program for deployed service member families, and DODEA's virtual high schools. Our Association believes these programs are making a difference and would be beneficial to all military families.

We were also pleased the President's landmark directive, "Strengthening Our Military Families," listed as one of its top priorities the need to ensure excellence in military children's education and their development. We greatly appreciate the Department of Education committing to making military families one of its priorities for its discretionary grant programs and for including our Association as a military stakeholder in finding ways to strengthen military families within the Reauthorization of the Elementary and Secondary Education Act.

Our Association thanks Congress for providing additional funding to civilian school districts educating military children through DODEA's Educational Partnership Grant Program. We are aware that DODEA's expanded authority to shares its

expertise, experience and resources to assist military children during transitions, to sharpen the expertise of teachers and administrators in meeting the needs of military children, and to provide assistance to local education agencies on deployment support for military children is set to expire in 2013. We ask Congress to extend the authority for the Educational Partnership Grant Program past 2013.

We strongly urge Congress to ensure it is providing appropriate and timely funding of Impact Aid through the Department of Education. We also ask that you allow school districts experiencing high levels of growth, due to military base realignment, to apply for Impact Aid funds using current student enrollment numbers rather than the previous year. In addition, we call on Congress to increase DOD Supplemental Impact Aid funding for schools educating large numbers of military connected students. Our Association has long believed that both Impact Aid programs are critical to ensuring that school districts can provide quality education for our military children.

We strongly urge Congress to ensure it is providing appropriate funding of Impact Aid through the Department of Education at authorized levels and to allow school districts experiencing high growth due to base realignments to apply for Impact Aid funds using current student enrollment numbers.

We ask Congress to increase the DOD supplement to Impact Aid to \$60 million.

We also ask Congress to extend the authority for the DODEA Educational Partnership Grant Program.

Spouse Education and Employment

We are pleased the NDAA fiscal year 2011 calls for a report on military spouse education programs. Our recent surveys and feedback we have received from military families indicates they appreciate in-state tuition and the Post 9/11 G.I. Bill transferability. Our Association would like to thank Congress for the enhancements made to the Post 9/11 G.I. Bill last session. We are especially pleased that spouses of active duty service members are now eligible for the book stipend and the authority to grant transferability has been extended to families of the Commissioned Corps of NOAA and the U.S. Public Health Service.

DOD's most-cited program success for military spouses is the Military Spouse Career Advance Account (MyCAA)—in its original form. In October 2010, MyCAA was significant revised and seasoned spouses who are no longer eligible feel their education pursuits are not supported by the Department of Defense. Many military spouses delay their education to support the service member's career. Since 2004, our Association has been fortunate to sponsor our Joanne Holbrook Patton Military Spouse Scholarship Program, with the generosity of donors who wish to help military families. Of particular interest, 33.5 percent of applicants from our 2011 scholarship applicant pool stated their education was interrupted because of the military lifestyle (frequent moves, TDYs, moving expenses, etc.) and 12.2 percent of those directly attributed the interruption to deployment of the service member. Military spouses remain committed to their education and need assistance from Congress to fulfill their educational pursuits. We ask Congress to push DOD to fully reinstate the MyCAA program to include all military spouses, regardless of their service member's rank and to ensure the funding is available for this reinstatement. We also ask Congress to work with the appropriate Service Secretaries to extend the MyCAA program to spouses of the Coast Guard, the Commissioned Corps of NOAA, and the U.S. Public Health Service.

The fiscal year 2011 NDAA report on military spouse education programs only addresses one aspect—education. In order to determine if the education programs are working, we recommend a report on spouse employment programs. The NDAA fiscal year 2010 created a pilot program to secure internships for military spouses with Federal agencies. Funding for the program continues through fiscal year 2011. A report on military spouse employment programs should include an assessment of the military spouse Federal internship program. Military spouses want more Federal employment opportunities. Should the pilot become a permanent program? We urge Congress to monitor the pilot to ensure spouses are able to access the program and eligible spouses are able to find Federal employment after successful completion of the internship. Our Association recommends Congress requests a report on military spouse employment programs.

To further spouse employment opportunities, we recommend an expansion to the Work Opportunity Tax Credit for employers who hire spouses of active duty and reserve component service members as proposed through the Military Spouse Employment Act, H.R. 687. This employer tax credit is one way to encourage corporate America to hire military spouses.

We also recommend providing a tax credit to military spouses to offset the expense of obtaining a career license or credential when the service member is relo-

cated to a new duty station. Military spouses are financially disadvantaged by government ordered moves when they are required to obtain a career license in a new State to practice in their profession. Many military spouses must maintain a career license in multiple States, costing hundreds of dollars. For example, a pharmacist can only reciprocate to another State from their original license, which requires a military spouse pharmacist to maintain a license in more than one State. When our Association asked military spouses to share their employment challenges with us, a military spouse of 26 years stated, "The very most frustrating part about the process, is that obtaining a license does not guarantee that I will find employment. I have been licensed in [Kentucky] for a full year and in that time have gotten one 6-hour shift of work. That one shift does not even begin to recover the expense of obtaining my license here." We recommend that Congress pass the Military Spouse Job Continuity Act or similar legislation to reduce the financial barrier licensed military spouses must overcome with each move in order to find employment.

Our Association urges Congress to recognize the value of military spouses by fully funding the MyCAA program for all military spouses, expand the Work Opportunity Tax Credit to include military spouses, and provide a tax credit to offset state license and credential fees.

Support for Special Needs Families

The NDAA fiscal year 2010 established the Office of Community Support for Military Families with Special Needs to enhance and improve DOD support around the world for military families with special needs, whether medical or educational. Our Association remains concerned that the Office has not received the proper resources to address the medical, educational, relocation, and family support resources our special needs families often require. This Office must address these various needs in a holistic manner in order to effectively implement change. The original intent of the legislation was to have the office reside in the Office of the Under Secretary of Defense for Personnel and Readiness in order to bring together all entities having responsibility for the medical, educational, relocation, and family support needs of special needs military family member. At present, however, the office comes under the jurisdiction of the Deputy Assistant Secretary of Defense for Military Community and Family Policy.

Case management for military beneficiaries with special needs is not consistent across the Services or the TRICARE Regions because the coordination care for the military family is being done by a non-synergistic healthcare system. Beneficiaries try to obtain an appointment and then find themselves getting partial healthcare within the MTF, while other healthcare is referred out into the purchased care network. Thus, military families end up managing their own care. Incongruence in the case management process becomes more apparent when military family members transfer from one TRICARE Region to another and when transferring within the same TRICARE Region. This incongruence is further exacerbated when a special needs family member is involved and they require not only medical intervention, but non-medical care as well. Families need a seamless transition and a warm hand-off between and within TRICARE Regions and a universal case management process across the MHS. Each TRICARE Managed Care Support Contractor (MCSC) has created different case management processes. TRICARE leaders must work closely with their family support counterparts through the Office of Community Support for Military Families with Special Needs to develop a coordinated case management system that takes into account other military and community resources.

We applaud the attention Congress and DOD have given to our special needs family members in the past 2 years and their desire to create robust healthcare, educational, and family support services for special needs family members. But, these robust services do not follow them when they retire. We encourage the Services to allow these military families the opportunity to have their final duty station be in an area of their choice, preferably in the same State in which they plan to live after the service member retires, to enable them to begin the process of becoming eligible for State and local services while still on active duty. We also suggest the Extended Care Health Option (ECHO) be extended for 1 year after retirement for those family members already enrolled in ECHO prior to retirement. More importantly, our Association recommends if the ECHO program is extended, it must be for all who are eligible for the program because we should not create a different benefit simply based on medical diagnosis.

The Office of Community Support is beginning a study on Medicaid availability for special needs military family members. Our Association is anxiously awaiting this report's findings. We will be especially interested in the types of value-added services individual State Medicaid waivers offer their enrollees and whether State budget difficulties are making it more difficult for military families to qualify for

and participate in waiver programs. This information will provide yet another avenue to identify additional services ECHO may include in order to help address our families' frequent moves and their inability to often qualify for these additional value-added benefits in a timely manner.

There has been discussion over the past several years by Congress and military families regarding the ECHO program. The ECHO program was originally designed to allow military families with special needs to receive additional services to offset their lack of eligibility for State or federally provided services impacted by frequent moves. We suggest that before making any more adjustments to the ECHO program, Congress should request a GAO report to determine if the ECHO program is working as it was originally designed and if it has been effective in addressing the needs of this population. We also hear from our ECHO eligible families that they could benefit from additional programs and healthcare services to address their special needs. We request a DOD pilot study to identify what additional service(s), if any, our special needs families need to improve their quality of life, such as cooling vests, diapers, and some nutritional supplements. We recommend families have access to \$3,000 of additional funds to purchase self-selected items, programs, and/or services not already covered by ECHO. DOD would be required to authorize each purchase to verify the requested item, program, or service is appropriate. The pilot study will identify gaps in coverage and provide DOD and Congress with a list of possible extra ECHO benefits for special needs families. We need to make the right fixes so we can be assured we apply the correct solutions. Our Association believes the Medicaid waiver report, the GAO report, along with the pilot study will provide DOD and Congress with the valuable information needed to determine if the ECHO program needs to be modified in order to provide the right level of extra coverage for our special needs families. We also recommend a report examining the impact of the war on special needs military families.

We ask Congress to request a GAO report to determine if the ECHO program is working as it was originally designed and if it has been effective in addressing the needs of this population.

We request Congress fund a DOD pilot study to identify what additional service(s), if any, our special needs families need to improve their quality of life.

We recommend that the Extended Care Health Option (ECHO) program be extended for 1 year after retirement for those already enrolled in ECHO prior to retirement.

We also recommend a report examining the impact of the war on our special needs families.

Families on the Move

A Permanent Change of Station (PCS) move to an overseas location can be especially stressful for our families. Military families are faced with the prospect of being thousands of miles from extended family and living in a foreign culture. At many overseas locations, there are insufficient numbers of government quarters resulting in the requirement to live on the local economy away from the installation. Family members in these situations can feel extremely isolated; for some the only connection to anything familiar is the local military installation. Unfortunately, current law permits the shipment of only one vehicle to an overseas location, including Alaska and Hawaii. Since most families today have two vehicles, they sell one of the vehicles.

Upon arriving at the new duty station, the service member requires transportation to and from the place of duty leaving the military spouse and family members at home without transportation. This lack of transportation limits the ability of spouses to secure employment and the ability of children to participate in extracurricular activities. While the purchase of a second vehicle alleviates these issues, it also results in significant expense while the family is already absorbing other costs associated with a move. Simply permitting the shipment of a second vehicle at government expense could alleviate this expense and acknowledge the needs of today's military family.

Travel allowances and reimbursement rates have not kept pace with the out-of-pocket costs associated with today's moves. In a recent PCS survey conducted by our Association, more than 50 percent of survey respondents identified uncovered expenses related to the move as their top moving challenge. Military families are authorized 10 days for a housing hunting trip, but the cost for trip is the responsibility of the service member. Families with two vehicles may ship one vehicle and travel together in the second vehicle. The vehicle will be shipped at the service member's expense and then the service member will be reimbursed funds not used to drive the second vehicle to help offset the cost of shipping it. Or, families may drive both vehicles and receive reimbursement provided by the Monetary Allowance in Lieu of

Transportation (MALT) rate. MALT is not intended to reimburse for all costs of operating a car but is payment in lieu of transportation on a commercial carrier. Yet, a TDY mileage rate considers the fixed and variable costs to operate a vehicle. Travel allowances and reimbursement rates should be brought in line with the actually out-of-pocket costs borne by military families.

Our Association supports the Service Members Permanent Change of Station Relief Act, S. 472 and believes it will reduce some of the additional moving expenses incurred by many military families.

Our Association requests that Congress authorize the shipment of a second vehicle to an overseas location (at least Alaska and Hawaii) on accompanied tours, and that Congress address the out-of-pocket expenses military families bear for government ordered moves.

Military Families—Our Nation's Families

Military families have been supporting their warriors in time of war for 10 years. DOD and the military Services, with the help and guidance of Congress have developed programs and policies to respond to their changing and developing needs over this time. Families have come to rely on this support. They appreciate the spotlight of recognition that has been shone on their experience by the First Lady and Dr. Biden. They are heartened by the new sense of cooperation between government agencies in coordinating support. They know that it is up to them to make use of the tools and programs provided to become more resilient with each deployment. Congress provides the authorization and funding for these tools and programs. Even in a time of austere budgets, our Nation needs to sustain this support in order to maintain readiness. Our military families deserve no less.

Chairman INOUE. I thank you very much, Ms. Moakler.
Senator Cochran.

Senator COCHRAN. I'm curious, what's the estimated cost of the reimbursement if the Congress desired to or decided to respond to that request?

Ms. MOAKLER. I don't know, because it depends on how long, how far the family is coming from. But right now the units themselves are taking that money out of hide, out of their family support funds.

Senator COCHRAN. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, just an observation. I know Ms. Moakler is her as an advocate and she's got a great record of family support. I believe this subcommittee has a good record of support for our military through the appropriation, and their families, which we think are very important to the wellbeing and the readiness of our soldiers.

Ms. MOAKLER. We agree.

Senator SHELBY. Thank you.

Chairman INOUE. Thank you very much.

Our next witness, Chief Master Sergeant John McCauslin, Air Force Sergeants Association.

**STATEMENT OF CHIEF MASTER SERGEANT JOHN R. "DOC"
McCAUSLIN, CHIEF EXECUTIVE OFFICER, AIR FORCE SER-
GEANTS ASSOCIATION**

Sergeant McCauslin. Good morning, Chairman Inouye, Ranking Member Cochran, Senator Shelby, and other members of this subcommittee. On behalf of the 110,000 members of the Air Force Sergeants Association, thanks for this opportunity to offer our views of our members on the fiscal year 2012 priorities. This morning I will briefly cover some specific areas we urge your subcommittee to provide funding for.

Let me begin with healthcare. In coordination with the Military Coalition and governmental agencies, we want to ensure that our military members and their families continue to receive a cost-effective sustainable healthcare benefit, and we greatly appreciate the past efforts of you and this subcommittee to make that happen.

Last week the Senate Armed Services Committee marked the National Defense Authorization Act and we were greatly disappointed that the bill permits TRICARE fee increases. Before seeking increases in military healthcare, we would urge that you consider all funding options relative to adequate and sustainable healthcare for our military and their families and get full detailed justification for the raise of such from DOD.

The care of those who have borne the horrors and hazards of battle needs your constant attention. More than 42,000 service members have been wounded in action since the conflicts began. Thousands more suffer from the unseen wounds of war. We support full funding for the care of wounded warriors, including moneys for research and treatment of traumatic brain injuries, post-traumatic stress disorder, and all those other war-related issues.

On a related matter, this Nation owes those heroes an everlasting gratitude and compensation that extends well beyond their time in the military. It calls attention to the importance of proper documentation of care received on the battlefield and their recovery afterward. DOD and VA have made great strides in recent years developing a joint electronic health record. But it's imperative that this work continue until that job is done. This is one that actually saves the taxpayers money.

We also urge continued funding of military base pay, so that annual military pay raises exceed the ECI index by at least one-half of 1 percent, and we support targeted pay raises for midgrade enlisted personnel who have recently assumed increased responsibility. The bottom line here is regular military pay raises must be maintained by DOD so that we can continue to recruit and retain the very best and brightest.

Another hot button issue is the homelessness and unemployment of our veterans. The VA has estimated that 25 percent of all homeless individuals in the United States are veterans. According to the Bureau of Labor Statistics, the estimated jobless rate among male veterans ages 18 to 24 was more than 30 percent just last month, compared to 18 percent among civilians of the same age and gender group. This is an absolute shame. DOD and VA recently agreed to tackle this issue jointly, so we encourage you to provide enough resources to make that happen.

Caring for survivors of military members is always a matter of concern. Those with military survivor plan annuities should be able to also receive VA's dependency and indemnity compensation payments without offset. The special survivors indemnity allowance created by Congress in 2008 to minimize those losses is appreciated, but it only restores a fraction of the nearly \$1,200 surviving spouses lose each month. We as a Nation must be able to do better than that.

We would like to thank Senator Bill Nelson for introducing S. 260 and the 38 Senators, 8 of which are on your subcommittee, sir, who have co-sponsored this important legislation. You may recall

that in the 111th Congress there were 62 co-sponsors in the Senate to fix this. It's high time we act.

Another precious asset is, the National Guard and Air Force Reserve currently have to wait until they reach age 60 before they draw their retirement pay. They are currently over 50 percent of our mission completion, yet subject to this holding situation. A provision in last year's NDAA allows the reserve components to shave off some time of their minimum retired age in exchange for equal periods of active duty service in combat zones. We are nowhere near resolving this issue and appreciate your continued attention.

Mr. Chairman, that's all I have today. On behalf of our association, I thank you and the members of your subcommittee for their dedication to those of us who serve.

[The statement follows:]

PREPARED STATEMENT OF JOHN R. "DOC" MCCAUSLIN

Chairman Inouye, Ranking Member Cochran, and distinguished members of the Defense subcommittee, on behalf of the 111,000 members of the Air Force Sergeants Association, thank you for this opportunity to offer the views of our members on the military personnel programs that affect those serving (and who have served) our Nation. This hearing will address issues critical to those serving and who have served our Nation.

AFSA represents active duty, guard, reserve, retired, and veteran enlisted Air Force members and their families, and this year marks our 50th Anniversary in doing so. Your continuing efforts toward improving the quality of their lives make a real difference, and our members are grateful. In this statement, I will list several specific goals that we hope this committee will consider funding in fiscal year 2012 on behalf of current and past enlisted members and their families. The content of this statement reflects the views of our members as they have communicated them to us. As always, we are prepared to present more details and to discuss these issues with your staffs.

BASIC MILITARY PAY

Tremendous progress has been made in recent years to close the gap between civilian sector and military compensation. AFSA appreciates these steady efforts and we hope they will continue. We believe linking pay raises to the employment cost index (ECI) is essential to recruiting and retaining the very best and brightest volunteers.

The President's fiscal year 2012 budget proposal calls for a 1.6 percent pay increase for active duty service members—the minimum amount by law. AFSA believes that the formula for determining annual pay increases to be ECI + 0.5 percent until the gap is completed eliminated. If we want to continue having an all volunteer force, we must continue on the path to close the aforementioned pay gap!

QUALITY OF LIFE

Our Nation's military should not be considered a financial burden but considered a national treasure as they preserve our national security for all that live here. If we expect to retain this precious resource, we must provide them and their families, with decent and safe work centers, family housing and dormitories, healthcare, child care and physical fitness centers, and recreational programs and facilities. These areas are a prime recruitment and retention incentive for our Airmen and their families. This directly impacts their desire to continue serving through multiple deployments and extended separations from family and friends.

This Nation devotes considerable resources to train and equip America's sons and daughters—a long term investment—and that same level of commitment should be reflected in the facilities and equipment they use and in where they live, work, and play.

We urge extreme caution in deferring these costs, especially at installations impacted by base realignment and closure (BRAC) decisions and mission-related shifts.

We applaud congressional support for military housing privatization initiatives. This has provided housing at a much faster pace than would have been possible through military construction alone.

AFSA urges Congress to fully fund appropriate accounts to ensure our installations eliminate substandard housing and work centers as quickly as possible. Those devoted to serving this Nation deserve better.

Tremendous strides have been made to improve access to quality child care and fitness centers on military installations, and we are grateful to the Department of Defense and Congress for these collective efforts. However, there is still much more work to be done. I have personally visited over 125 Air Force installations in the States and overseas these past 3 years and I can assure you that the demand for adequate child care is a top priority among our Airmen and their families. The availability of on base Child Development Centers (CDC) plays a critical role in each military family's decision whether or not to remain in the service. So I urge Congress to dedicate the funding necessary to build more CDCs and eliminate the space deficit that exists today.

HEALTHCARE

Like many Military and Veterans Service Organizations (MSO/VSO's), AFSA wants to ensure that past, present and future service members and families receive the inexpensive, high quality healthcare benefit that they so richly deserve. And we are concerned with repeated attempts by DOD to shift healthcare costs onto the back of retirees—particularly how they are perceived by active duty service members, many of whom have fought in Iraq and Afghanistan over the past 10 years.

As Abraham Lincoln correctly observed, "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they perceive the Veterans of earlier wars were treated and appreciated by their nation."

To date, Congress has rejected the Pentagon's proposed raids on earned medical benefits, and we greatly appreciate your work which allowed that to happen.

This year the Pentagon is once again asking for higher fees and their current plan would raise enrollment fees for "working age" retirees and their families who use TRICARE Prime would increase by 13 percent in fiscal year 2012. The National Health Expenditure index, produced by the Centers for Medicare and Medicaid Services, would be used beginning in fiscal year 2013, to determine annual enrollment fee increases thereafter.

Co-pays for prescription drugs obtained at retail pharmacies would also rise under DOD's plan—from \$3 to \$5 for generics, \$9 to \$12 for brand name, and \$22 to \$25 for non-formulary medications at retail pharmacies. Non-formulary medications obtained through TRICARE Home Delivery would also increase to \$25 from \$22.

At first glance, the increases DOD is proposing appear modest but we view them as the "foot in the door" which will provide the impetus for a long line of future TRICARE program changes. Regrettably, the House recently chose to include, or rather exclude, language in its version of the fiscal year 2012 National Defense Authorization Act (H.R. 1540) which would allow DOD's plan to move forward. It does however, limit increases in fiscal year 2013 and beyond to the rate of the annual COLA.

AFSA does not discount the country's current fiscal dilemma, or the need to get the Federal budget under control. Nor is it an issue of sacrificing a little more so everyone shares a greater portion of the load. The question is should they pay more before lesser priority programs are cut first? No one has sacrificed more than the men and women who have worn or are wearing the Nation's uniform. We simply believe it is unwise to raise TRICARE fees at a time when we have thousands of men and women in harms way overseas. What kind of message are we sending to them? Many of the individuals that would be affected by the proposed increases were promised free lifetime healthcare by DOD's recruiters to entice them to enlist, and career counselors to induce them to reenlist. Right, wrong, or indifferent, a decision to increase fees at this time would likely be viewed as another breach of promises made by the government. This in turn could adversely affect the services quality recruiting and retention efforts.

I urge this Subcommittee to ensure continued, full funding for Defense Health Program. Before seeking increases in enrollment fees, deductibles or co-payments, DOD should pursue any and all options to contain the growth of healthcare spending in ways that do not disadvantage beneficiaries and provide incentives to promote healthy lifestyles.

Again, we appreciate your consistent support in recent years to protect beneficiaries from disproportional healthcare fee increases.

Support Judicious VA-DOD Sharing Arrangements

We encourage this Subcommittee to fund programs that eliminate waste and increase efficiency between DOD and VA.

AFSA supports the judicious use of VA–DOD sharing arrangements involving network inclusion in the DOD healthcare program, especially when it includes consolidating physical examinations at the time of separation. It makes no sense to order a full physical exam on your retirement from the military and then within 30 days the VA has ordered their own complete physical exam with most of the same exotic and expensive exams.

The decision to begin this process represents a good, common-sense approach that should eliminate problems of inconsistency, save time, and take care of veterans in a timely manner. These initiatives will save funding dollars. AFSA recommends that Congress closely monitor the collaboration process to ensure these sharing projects actually improve access and quality of care for eligible beneficiaries. DOD beneficiary participation in VA facilities must never endanger the scope or availability of care for traditional VA patients, nor should any VA–DOD sharing arrangement jeopardize access and/or treatment of DOD health services beneficiaries. One example of a successful joint sharing arrangement is the clinic with ambulatory care services being in Colorado Springs, Colorado. This will aid the large number of veterans remaining in the area and support the increases in Colorado Springs as a result of BRAC initiatives. The VA and DOD each have a lengthy and comprehensive history of agreeing to work on such projects, but follow-through is lacking. “We urge these committees to encourage joint VA–DOD efforts, but ask you to exercise close oversight to ensure such arrangements are implemented properly.”

CARING FOR SURVIVORS

Support of Survivors.—AFSA commends this committee for previous legislation, which allowed retention of Dependency and Indemnity Compensation (DIC), burial entitlements, and VA home loan eligibility for surviving spouses who remarry after age 57. However, we strongly recommend the age 57 DIC remarriage provision be reduced to age 55 to make it consistent with all other Federal survivor benefit programs.

We also endorse the view that surviving spouses with military Survivor Benefit Plan (SBP) annuities should be able to concurrently receive earned SBP benefits and DIC payments related to their sponsor’s service-connected death.

We strongly recommend the Subcommittee fund Senator Bill Nelson’s (D-FL) bill, S. 260 which would eliminate this unfair offset.

Survivors of retirees who draw the final full month’s retired pay for the month in which retirees die should not have to pay this compensation back. This is however, what current law requires.

At a time when the surviving spouse and family members are trying to put their lives back together, DOD comes and takes the money back. Not some of it; all of it. The entire month. Weeks later, the proportionate amount of retired pay may be returned to the spouse but the damage has already been done.

AFSA believes it is wrong to subject survivors to this kind of “financial nit-picking” at a tragic time lives. If there’s ever a time for the Government to give a military beneficiary a tiny break, surely this is it. And we encourage this subcommittee to provide sufficient funding to remove this requirement from the books.

Other Survivor issues included in our Top Priorities are:

- Permit the member to designate multiple SBP beneficiaries with a presumption that such designations and related allocations of SBP benefits must be proportionate to the allocation of retired pay.
- Provide for eligibility for housing loans guaranteed by the Department of Veterans Affairs for the surviving spouses of certain totally disabled veterans.

DEBT COMMISSION PROPOSALS

Oppose the following Debt commission recommendations:

- Freeze Federal salaries, bonuses and other comp for 3 years including military non-combat pay;
- Reduce spending on base support and facility maintenance;
- Integrate military kids into local schools in the United States;
- Use highest 5 years for civil svc and military retiree pay;
- Reform military retiree system to vest after 10 years and defer collection to age 60; and
- Full 20+ years of military retired pay starts age 57.

Work Toward a Consistent Funding Formula and Program Permanence.—This association believes that the parameters of who will be served, what care will be provided, the facilities needed, and the full funding to accomplish those missions should be stabilized as mandatory obligations. If that were so, and Congress did not have to go through redefinition drills as economic philosophies change, the strength of the

economy fluctuates, and the numbers of veterans increases or decreases—these committees and this Nation would not have to re-debate obligations and funding each year. We believe that these important programs should be beyond debate and should fall under mandatory rather than discretionary spending.

The following are a few of the Debt Commission issues recognized in our Top Priorities:

- Make adjustments to the Household Goods (HHG) weight allowances that take into consideration the number of family members;
- If advantageous to the Government, reimburse transportation expenses for PCSing members to take their POVs to a location other than a commercial storage facility;
- Resist DOD/DECA efforts to reduce the benefit that negatively alter current pricing policies, or provide the benefit to non-military beneficiaries;
- Resist the Base Exchange merger process to prevent degradation of the benefit; and
- Monitor/scrutinize housing privatization efforts to preclude adverse impact on all military members.

AIR NATIONAL GUARD AND RESERVE RETIREMENT

Reduce the earliest Guard and Reserve retirement compensation age from 60 to 55.—Legislation was introduced in previous years to provide a more equitable retirement for the men and women serving in the Guard and Reserves. This proposed legislation would have reduced the age for receipt of retirement pay for Guard and Reserve retirees from 60 to 55. Active duty members draw retirement pay the day after they retire. Yet, Guard and Reserve retirees currently have to wait until they reach age 60 before they can draw retirement pay.

Provide Concurrent Retirement and Disability Pay (CRDP) For Service Incurred Disabilities.—National Guard and Reserve with 20 or more good years are currently able to receive CRDP, however, they must wait until they are 60 years of age and begin to receive their retirement check. This policy must be changed, and along with the reduction in retirement age eligibility, is a benefit our Guard and Reserve deserve. They have incurred a service connected disability and we must provide concurrent retirement and disability pay to them.

Many Guard/Reserve retirees have spent more time in a combat zone than their active duty counterparts. The DOD has not supported legislation to provide Guard/Reserve men and women more equitable retirement pay in the past. Additional requirements and reliance has been placed on the Guard/Reserve in recent years. It is time to recognize our men and women in uniform serving in the Guard and Reserve and provide them a more equitable retirement system.

Provide employer and self-employed tax credits and enhance job security.—AFSA supports legislation to allow the work opportunity credit to small businesses, which hire members of the Reserve Components. We encourage this Subcommittee to provide the funding necessary to make this happen.

Award Full Veterans Benefit Status to Guard and Reserve Members.—It is long overdue that we recognize those servicemembers in the Guard and Reserve who have sustained a commitment to readiness as veterans after 20 years of honorable service to our country. Certain Guard and Reserve members that complete 20 years of qualifying service for a reserve (non-regular) retirement have never been called to active duty service during their careers. At age 60, they are entitled to start receiving their reserve military retired pay, Government healthcare, and other benefits of service including some veterans' benefits. But, current statutes deny them full standing as a "veteran" of the armed forces and as a result they are not entitled to all veteran benefits. Our goal, along with our TMC partners, is to support pending legislation that will include in the definition(s) of "veteran" retirees of the Guard/Reserve components who have completed 20 years or more of qualifying service, but are not considered to be veterans under the current statutory definitions.

EDUCATION PROGRAMS

There's no escaping the fact that college costs are rising. As the gap between the cost of an education and value of the Montgomery GI Bill (MGIB) widened, the significance of the benefit became less apparent. For that reason, the Post-9/11 GI Bill is a giant step forward. However, we must make sure that the new Post-9/11 GI Bill stays current at all times, so that this benefit will not lose its effectiveness when it comes to recruiting this Nation's finest young men and women into service. As a member of The Military Coalition and the Partnership for Veterans' Education, we strongly recommend you make the remaining technical corrections to the Post-9/11 GI Bill. Examples that stand out are active duty not receiving the \$1,000 an-

nual book stipend, Title 32 credit for Guard and Reserve service, and BAH for those veterans or retirees taking on-line college courses full-time.

Providing in-State tuition rates at federally supported State universities and colleges.—Regardless of residency requirements, is an important goal for AFSA due to the rise in servicemembers and their families returning to institutions to further their education and other numerous PCS moves involved with the CONUS.

Ensure full funding for the mission of the Impact Aid Program.—Impact Aid Program is to disburse payments to local educational agencies that are financially burdened by Federal activities and to provide technical assistance and support services.

Preserve Tuition Assistance.—The discretionary Air Force Tuition Assistance (TA) Program is an important quality of life program that provides tuition and fees for courses taken by active duty personnel. The program is one of the most frequent reasons given for enlisting and re-enlisting in the Air Force.

Implement the Interstate Compact!—The Interstate Compact on Educational Opportunity for Military Children works to correct the inequalities that military children face as they transfer from one school (system) to another due to deployments or permanent change of station moves by their servicemember parent.

By implementing this Compact, States can work together to achieve cohesive education goals and assure military students are well prepared for success after high school graduation. We encourage your strong support for those who serve this Nation and ask that you take necessary measures to pass this Act in your State and implement this important program. The States that thus far are absent from supporting the “sense of the Senate” are Nebraska, Massachusetts, Vermont, West Virginia, Minnesota, New Hampshire, and Wyoming.

Repeal or Greatly Modify the Uniformed Services Former Spouses Protection Act (USFSPA—Public Law 97-252).—AFSA urges this Subcommittee to support some fairness provisions for the USFSPA. While this law was passed with good intentions in the mid 1980s, the demographics of military service and their families have changed. As a result, military members are now the only U.S. citizens who are put at a significant disadvantage in divorce proceedings.

Because of the USFSPA, the following situations now exist:

- A military member is subject to giving part of his/her military retirement pay (for the rest of his/her life) to anyone who was married to him/her during the military career regardless of the duration of the marriage.
- The divorce retirement pay separation is based on the military member’s retirement pay—not what the member’s pay was at the time of divorce (often many years later).
- A military retiree can be paying this “award” to multiple former spouses.
- It takes a military member 20 years to earn a retirement; it takes a former spouse only having been married to the member (for any duration, no matter how brief) to get a portion of the member’s retirement pay.
- Under this law, in practice judges award part of the member’s retirement pay regardless of fault or circumstances.
- There is no statute of limitations on this law; i.e., unless the original divorce decree explicitly waived separation of future retirement earnings, a former spouse who the military member has not seen for many years can have the original divorce decree amended and “highjack” part of the military member’s retirement pay.
- The former spouse’s “award” does not terminate upon remarriage of the former spouse.
- The “award” to a former spouse under this law is above and beyond child support and alimony.
- The law is considered unfair, illogical, and inconsistent. The member’s military retired pay which the Government refers to as “deferred compensation” is, under this law, treated as property rather than compensation. Additionally, the law is applied inconsistently from State to State.
- In most cases, the military retiree has no claim to part of the former spouse’s retirement pay.
- Of all U.S. citizens, it is unconscionable that military members who put their lives on the line are uniquely subjected to such an unfair and discriminatory law.
- While there may be unique cases (which can be dealt with by the court on a case-by-case basis) where a long-term, very supported former spouse is the victim, in the vast majority of the cases we are talking about divorces that arise which are the fault of either or both parties—at least half of the time not the military member. In fact, with the current levels of military deployments, more and more military members are receiving “Dear John” and “Dear Jane” letters while they serve.

—This is not a male-vs.-female issue. More and more female military members are falling victim to this law. These are just a few of the inequities of this law. We believe this law needs to be repealed or, at the least, greatly modified to be fairer to military members. We urge the Subcommittee to support any funding requirement that may be necessary to take action on this unfair law—for the benefit of those men and women who are currently defending the interests of this nation and its freedom.

CONCLUSION

Chairman Inouye, Ranking Member Cochran, in conclusion, I want to thank you again for this opportunity to express the views of our members on these important issues as you consider the fiscal year 2012 budget. We realize that those charged as caretakers of the taxpayers' money must budget wisely and make decisions based on many factors. As tax dollars dwindle, the degree of difficulty deciding what can be addressed, and what cannot, grows significantly.

AFSA contends that it is of paramount importance for a nation to provide quality healthcare and top-notch benefits in exchange for the devotion, sacrifice, and service of military members. So, too, must those making the decisions take into consideration the decisions of the past, the trust of those who are impacted, and the negative consequences upon those who have based their trust in our Government? We sincerely believe that the work done by your committees is among the most important on the Hill. On behalf of all AFSA members, we appreciate your efforts and, as always, are ready to support you in matters of mutual concern.

The Air Force Sergeants Association looks forward to working with you in this 112th Congress.

Chairman INOUE. I can assure you that the matter of the unemployed and homeless will be a very high priority. Thank you very much.

Sergeant McCAUSLIN. Thank you, Senator.

Chairman INOUE. Senator Cochran.

Senator COCHRAN. Thank you for bringing these facts and figures to our attention. It occurs to me that we need to give this our best consideration. I think you can be assured that that will happen.

Sergeant McCAUSLIN. Thank you, sir.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, just an observation. Sergeant, Mr. McCauslin—

Sergeant McCAUSLIN. Yes, sir.

Senator SHELBY [continuing]. You speak well for the Sergeants Association. There are a lot of you, but you had a distinguished military record yourself. I was just reading that. You're to be commended. You're a good spokesman for them. Thank you. We respect that.

Sergeant McCAUSLIN. Thank you, sir.

Chairman INOUE. Thank you very much, Sergeant.

Our next witness is Captain Connor, American Lung Association. Captain.

STATEMENT OF CAPTAIN CHARLES D. CONNOR, UNITED STATES NAVY (RETIRED), PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERICAN LUNG ASSOCIATION

Captain CONNOR. Thank you very much, Senator. It's a pleasure to be here. Mr. Chairman, with your permission, I would like to pass on the greetings of two of your admirers in Honolulu I met with last week, Dr. Michael Chun and Aaron Mahi. I'm passing on their greetings to you this morning.

I'm, as you said, a retired Navy captain. I'm President and CEO of the American Lung Association. The American Lung Association has been around for more than 100 years and our mission is to

save lives by improving lung health and fighting lung disease. We do this through three big things: research, advocacy, and educational programs.

I'd like to take a few seconds of the subcommittee's time to talk about three big things today: the terrible burden on the military caused by tobacco use and the need for DOD to start combatting it; to ask your consideration for restoring funding for the peer-reviewed lung cancer research program to \$20 million; and third, to discuss briefly what you've heard about this morning already, which is the threat posed by our soldiers in Iraq and Afghanistan to toxic pollutants in the air.

Firstly, let me address tobacco use if I may. Tobacco use, as you well know, is the leading cause of preventable death in the United States today. Not surprisingly, it is also a very significant problem in our military as well. DOD has made some small progress, but much, much more needs to be done. Currently the smoking rate for civilians in America is about 20 percent. It's about 30 percent in the military, 30.5 exactly, and we think the combat arms people in deployed status, it's probably much higher than that. The highest smoking rates in the military are for those people between 18 and 25, especially soldiers and marines.

More than one in seven active duty personnel begin smoking after they join the military. So it's a very, very severe problem.

The use of tobacco is a severe compromiser of readiness and performance. Studies have shown that smoking is the best predictor of training failure and it's also been shown to increase soldiers' chances of physical injury and hospitalization. Now, you may have been surprised, as I was, to see the Secretary of Defense in the last year for the first time in my recollection complain about the cost of military healthcare. The biggest driver of healthcare is tobacco use. So the Pentagon spends over \$1.6 billion of appropriated funds in treating tobacco-related medical care, increased hospitalization, and lost days of work.

Just 2 years ago, the Institute of Medicine issued a big thick report I could have brought today entitled "Tobacco Use in the Military and Veterans Population." The panel found that tobacco control does not have a very high priority in the military—that's what we think as well—and that it will take a long time to get the military off tobacco. They suggested as long as 20 years.

So the American Lung Association believes now is the time to attack this problem if it's going to take that long, and DOD is overdue in announcing how it intends to implement those recommendations.

Two other things briefly in the minute I have left. We strongly support the lung cancer research program in the congressionally directed medical research program. We urge you to restore it to its original intent and the \$20 million. The original intent was for competitive research grants and priority given to deployment of integrated components to identify, treat, and manage early curable lung cancer.

Last, I will not repeat what you've heard already today, but we are extremely concerned about the respiratory disease of soldiers and marines coming back from theater. We recommend DOD immediately begin to find alternatives to burning trash for waste dis-

posal and to make burn pits more efficient. We also urge DOD to take steps to minimize troop exposure to pollutants and to further monitor pollution efforts. We think military people should be measured for respiratory illness before they go to theater and then coming back, so that we can compare apples to apples, so to speak, without comparing military respiratory disease with the civilian population. So I think there's some attention that needs to be paid to that.

Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF CHARLES D. CONNOR

Mr. Chairman and members of the Committee, the American Lung Association is honored to present this testimony to the Senate Appropriations Subcommittee on Defense. The American Lung Association was founded in 1904 to fight tuberculosis and today, our mission is to save lives by improving lung health and preventing lung disease. We accomplish this through research, advocacy and education.

The American Lung Association wishes to call your attention to three issues for the Department of Defense's (DOD) fiscal year 2012 budget: the terrible burden on the military caused by tobacco use and the need for the Department to aggressively combat it; the importance of restoring funding for the Peer-Reviewed Lung Cancer Research Program to \$20 million; and the health threat posed by soldiers' exposure to toxic pollutants in Iraq and Afghanistan.

First, the American Lung Association is concerned about the use of tobacco products by the troops. The effects of both the health and performance of our troops are significantly hindered by the prevalence of smoking and use of smokeless tobacco products. As a result, we urge the Department of Defense to immediately implement the recommendations in the Institute of Medicine's 2009 Report, *Combating Tobacco Use in Military and Veteran Populations*.

Next, the American Lung Association recommends and supports restoring funding to \$20 million for the Peer-Reviewed Lung Cancer Research Program (LCRP) within the Department of Defense Congressionally Directed Medical Research Program (CDMRP). Finally, the American Lung Association is deeply concerned about the respiratory health of our soldiers in Iraq and Afghanistan. We urge the DOD to immediately find alternatives to using burn pits, to track the incidence of respiratory disease related to service, and to take other steps that will improve the lung health of soldiers.

Combating Tobacco Use

Tobacco use remains the leading cause of preventable death in the United States and not surprisingly, is a significant problem within the military as well. The DOD has made some small progress, including its recent smokefree policy on submarines, but significantly more will need to be done to reduce the billion dollar price tag that comes with military personnel using tobacco products.

The 2008 Department of Defense Survey of Health Behaviors among Active Duty Personnel found that smoking rates among active duty personnel have essentially remained steady since 2002. However, smoking rates among deployed personnel are significantly higher and, alarmingly, more than one in seven (15 percent) of active duty personnel begin smoking after joining the service.

Currently, the smoking rate for active duty military is 30.5 percent, with smoking rates highest among personnel ages 18 to 25—especially among soldiers and Marines. The Department of Veterans Affairs estimates that more than 50 percent of all active duty personnel stationed in Iraq smoke.¹ The use of tobacco compromises military readiness and the performance of our men and women in the armed forces. Studies have found that smoking is one of the best predictors of training failure, and it has also been shown to increase soldiers' chances of physical injury and hospitalization.² Tobacco use not only costs the DOD in troop readiness and health—

¹ Hamlett-Berry, KW, as cited in Beckham, JC et al. Preliminary findings from a clinical demonstration project for veterans returning from Iraq or Afghanistan. *Military Medicine*. May 2008; 173(5):448-51.

² Institute of Medicine. *Combating Tobacco Use in Military and Veteran Populations*. 2009; 3-4.

it also costs the DOD money. The Pentagon spends over \$1.6 billion on tobacco-related medical care, increased hospitalization and lost days of work.³

In 2009, the prestigious Institute of Medicine (IOM) issued a report entitled, *Combating Tobacco Use in Military and Veteran Populations*. The panel found “tobacco control does not have a high priority in DOD or VA.” This report, which was requested by both departments, issued a series of recommendations, which the American Lung Association fully supports and asks this Committee to ensure are implemented.

The IOM recommendations include commonsense approaches to eliminating the use of tobacco in the U.S. military. Some of the IOM’s recommendations include:

- Phase in tobacco-free policies by starting with military academies, officer-candidate training programs, and university-based reserve officer training corps programs. Then the IOM recommends new enlisted accessions be required to be tobacco-free, followed by all active-duty personnel;
- Eliminate tobacco use on military installations using a phased-in approach;
- End the sales of tobacco products on all military installations. Personnel often have access to cheap tobacco products on base, which can serve to start and perpetuate addictions;
- Ensure that all DOD healthcare and health promotion staff are trained in the standard cessation treatment protocols;
- Ensure that all DOD personnel and their families have barrier-free access to tobacco cessation services.

A recent investigation conducted by American Public Media⁴ highlights that the discount price for tobacco products on base is significantly more—in some cases 20 percent—than the 5 percent permitted under law. The easiest way to end this problem is to end tobacco sales on all military installations.

The American Lung Association recommends that the Department of Defense implement all recommendations called for in the 2009 IOM report. The IOM has laid out a very careful, scientifically based road map for the DOD to follow and the American Lung Association strongly urges the Committee to ensure that the report’s recommendations be implemented without further delay.

Peer Reviewed Lung Cancer Research Program

The American Lung Association strongly supports the Lung Cancer Research Program (LCRP) in the Congressionally Directed Medical Research Program (CDMRP) and its original intent to research the scope of lung cancer in our military.

In fiscal year 2011, LCRP received \$12.8 million. We urge this Committee to restore the funding level to the fiscal year 2009 level of \$20 million. In addition to the reduced funding, the American Lung Association is troubled by the change in governance language of the LCRP authorized by the Congress in fiscal year 2010. We request that the 2012 governing language for the LCRP be returned to its original intent, as directed by the 2009 program: “These funds shall be for competitive research Priority shall be given to the development of the integrated components to identify, treat and manage early curable lung cancer”.

Troubling Lung Health Concerns in Iraq and Afghanistan

The American Lung Association is extremely troubled by reports of soldiers and civilians who are returning home from Iraq and Afghanistan with lung illnesses including asthma, chronic bronchitis and sleep apnea. Several new studies discussed below show that the airborne particle pollution our troops breathe in these areas may cause or contribute to these problems.

A recent DOD study found that air in several Middle East locations contained high concentrations of desert sand, as well as particles that likely came from human-generated sources—especially trash burned in open pits and diesel exhaust. Breathing particulate matter causes heart attacks, asthma attacks, and even early death. People most at risk from particulate matter include those with underlying diseases such as asthma, but the health impact of particle pollution is not limited to individuals with pre-existing chronic conditions. Healthy, young adults who work outside—such as our young men and women in uniform—are also at higher risk. Data from a 2009 study of soldiers deployed in Iraq and Afghanistan found that 14 percent of them suffered new-onset respiratory symptoms, a much higher rate than their non-deployed colleagues. In a review of the DOD studies, the National Academy of Sciences National Research Council (NRC) concluded that troops deployed

³Institute of Medicine. *Combating Tobacco Use in Military and Veteran Populations*. 2009; 56.

⁴Hershings, Sally. “Military underprices tobacco more than law allows.” American Public Media. <http://marketplace.publicradio.org/display/web/2011/06/01/pm-military-underprices-tobacco-more-than-law-allows/>. Accessed June 3, 2011.

in the Middle East are “exposed to high concentrations” of particulate matter associated with harm “affecting troop readiness during service” and even “occurring years after exposure.”⁵

Several studies, released in May at the American Thoracic Society 2011 International Conference, show mounting evidence for the importance of solving these problems. One large study showed that asthma rates in soldiers deployed to Iraq are higher than in soldiers deployed elsewhere. The study also showed that soldiers who served in Iraq had more serious asthma—i.e., lower lung function—than non Iraq personnel. In fact, records show that 14 percent of medic visits in Iraq are for respiratory issues, which is a higher percentage than from the previous Iraq war.⁶

There are several probable causes for this alarming prevalence of respiratory disease in our current war arenas. The most obvious cause is exposure to dust. There are multiple kinds of dust from multiple sources in the Middle East. Measurements show that the amount of harmful particles in the air is over 600 percent higher than the levels considered acceptable for public health in the United States. More significant sources of toxic air pollution are burn pits, which are lit with jet fuel and sometimes burn continuously for years. This method of disposing of trash can be incredibly harmful to soldiers who work in the pits’ vicinity. Major explosions, IEDs, and fungus can also cause harmful respiratory effects.⁷

While we know these problems exist, it is also clear that the DOD needs to do a better job at identifying and tracking them. Respiratory disease is difficult to detect, especially in personnel who are younger, healthier and more athletic than the general population. Military personnel need to be tested for respiratory and lung function pre-deployment so that doctors can make useful comparison with post-deployment results, instead of comparing soldiers to the population average. Another possible solution is to use non-traditional measures to detect problems—such as ability to complete a 2-mile run, as suggested by one researcher.⁸

To protect the troops from the hazards discussed and resulting lung disease, the American Lung Association recommends that DOD begin immediately to find alternatives to burning trash for waste disposal and/or make burn pits more efficient. We also strongly urge DOD to take steps to minimize troop exposure to pollutants and to further monitor pollution levels. Military doctors also must develop better ways to measure and track lung disease in military personnel, including taking baseline measures prior to deployment and creating a national registry to track all veterans who were exposed to these pollutants while in Iraq and Afghanistan. These problems are pervasive throughout the military, and DOD officials need to take leadership roles in creating positive change.

Conclusion

Mr. Chairman, in summary, our Nation’s military is the best in the world and we should do whatever necessary to ensure that the lung health needs of our armed services are fully met. Our troops must be protected from tobacco and unsafe air pollution and the severe health consequences. Thank you for this opportunity.

Chairman INOUE. I thank you very much, Captain. I’m one of the one out of seven. I began smoking after I got in, but I quit. But all of us received in our K rations a pack of four cigarettes free. That’s how we learned.

Senator Cochran.

Senator COCHRAN. We appreciate very much your being here today and bringing this reminder to our attention. It’s something that we need to work hard on and I hope we can be successful. It seems to me that this is probably the most preventable kind of medical problem that we can work on and the chairman has cer-

⁵National Academy of Sciences, National Research Council. Review of the Department of Defense Enhanced Particulate Matter Surveillance Program Report. 2010. <http://www.nap.edu/catalog/12911.html>. Accessed June 7, 2011.

⁶Szema, Anthony M. Overview of Exposures And New Onset Asthma In Soldiers Serving In Iraq And Afghanistan. As presented at American Thoracic Society 2011 International Conference, May 18, 2011.

⁷Szema, Anthony M. Overview Of Exposures And New Onset Asthma In Soldiers Serving In Iraq And Afghanistan. As presented at American Thoracic Society 2011 International Conference, May 18, 2011.

⁸Miller, Robert. Constrictive Bronchiolitis Among Soldiers Exposed To Burn Pits, Desert Dust And Fires In Southwest Asia. As presented at American Thoracic Society 2011 International Conference, May 18, 2011.

tainly indicated a willingness to cooperate, so I think you can look forward to cooperation from this subcommittee.

Captain CONNOR. Thank you.

Mr. Vice Chairman, if I may, I'd like to leave behind a very recent article from the American Journal of Public Health, which fully reveals the extent to which the tobacco industry has got its hands in the Senate and the House. We actually have enshrined into law, if you can believe it, obstacles to DOD attacking the smoking problem. So with your permission, I'd like to leave that behind.

Chairman INOUE. Without objection, it will be made part of the record.

[The information follows:]

[From the American Journal of Public Health, March 2011]

FORCING THE NAVY TO SELL CIGARETTES ON SHIPS: HOW THE TOBACCO INDUSTRY AND POLITICIANS TORPEDOED NAVY TOBACCO CONTROL

(Naphtali Offen, Sarah R Arvey, Elizabeth A Smith, Ruth E Malone)

In 1986, the U.S. Navy announced the goal of becoming smoke-free by 2000. However, efforts to restrict tobacco sales and use aboard the USS *Roosevelt* prompted tobacco industry lobbyists to persuade their allies in Congress to legislate that all naval ships must sell tobacco. Congress also removed control of ships' stores from the Navy. By 1993, the Navy abandoned its smoke-free goal entirely and promised smokers a place to smoke on all ships. Congressional complicity in promoting the agenda of the tobacco industry thwarted the Navy's efforts to achieve a healthy military workforce. Because of military lobbying constraints, civilian pressure on Congress may be necessary to establish effective tobacco control policies in the armed forces. (Am J Public Health. 2011;101:404–411. doi: 10.2105/AJPH.2010.196329)

At more than 30 percent,^{1 2} the prevalence of smoking in the military is 50 percent higher than is the civilian rate, with a 40 percent prevalence among those aged 18 to 25 years³ and nearly 50 percent among those who have been in a war zone.^{2 4} From 1998 to 2005, tobacco use in the military increased 7.7 percent, from 29.9 percent to 32.2 percent, reversing the decline of prior decades.⁴ A tobacco-friendly military culture persists, including the availability of cheap tobacco products,⁵ liberal smoking breaks,⁶ and easily accessible smoking areas.^{6 7} Smoking damages health and readiness^{8 9 10 11} and increases medical and training

¹ Bray RM, Hourani LL. Substance use trends among active duty military personnel: findings from the United States Department of Defense Health Related Behavior Surveys, 1980–2005. *Addiction*. 2007;102(7):1092–1101.

² Volkow ND. Director's perspective: substance abuse among troops, veterans, and their families. *NIDA Notes*. 2009; 22(5):1092–1101.

³ Bray RM, Hourani LL, Olmsted DLR, et al. 2005 Department of Defense survey of health related behaviors among active duty military personnel: a component of the Defense Lifestyle Assessment Program (DLAP). December 2006. Prepared by RTI International. Report No. DAMD 17-00-2-0057. Available at: http://www.ha.osd.mil/special_reports/2005_Health_Behaviors_Survey_1-07.pdf. Accessed May 10, 2010.

⁴ Institute of Medicine. *Combating Tobacco Use in Military and Veteran Populations*. Washington, DC: National Academic Press; 2009.

⁵ Smith EA, Blackman VS, Malone RE. Death at a discount: how the tobacco industry thwarted tobacco control policies in U.S. military commissaries. *Tob Control* 2007;16(1):38–46.

⁶ Haddock CK, Hoffman KM, Peterson A, et al. Factors which influence tobacco use among junior enlisted in the United States Army and Air Force: a formative research study. *Am J Health Promot*. 2009;23(4):241–246.

⁷ Jahnke SA, Haddock CK, Poston WS, Hoffman KM, Hughey J, Lando HA. A qualitative analysis of the tobacco control climate in the U.S. military. *Nicotine Tob Res*. 2010;12(2):88–95.

⁸ Dept of the Navy, Office of the Secretary. SECNAV instruction 5100.13E, Navy and Marine Corps tobacco policy. Available at: http://www.mccsmiramar.com/pdfs/5100_13E.pdf. Accessed March 3, 2010.

⁹ Conway T, Cronan T. Smoking, exercise, and physical fitness. *Prev Med*. 1992;21(6):723–734.

¹⁰ Zadoo V, Fengler S, Catterson M. The effects of alcohol and tobacco use on troop readiness. *Mil Med*. 1993;158(7): 480–484.

¹¹ Conway TL. Tobacco use and the United States military: a longstanding problem. *Tob Control*. 1998;7(3):219–221.

costs.^{12 13 14 15} In addition to short-term effects, such as impairment to vision and hearing, long-term consequences include lung and other cancers, cardiovascular disease, chronic obstructive pulmonary disease, and problematic wound healing.⁴ The U.S. Department of Defense spends more than \$1.6 billion annually on tobacco-related health care and absenteeism.⁴

In addition to compromised military readiness and Department of Defense expenses, a tobacco-friendly military culture takes a societal toll—economic and human—long after military personnel return to civilian life. The Department of Veterans Affairs spent \$5 billion in 2008 treating veterans with chronic obstructive pulmonary disease, a diagnosis most often associated with smoking.⁴ Lifelong smokers have a 50 percent chance of dying prematurely.⁴ Most costs must be borne by the veteran: in 1998, Congress denied disability pensions to tobacco-sickened veterans who began to smoke during their service, initially labeling smoking in the military as “willful misconduct.”¹⁶

Department of Defense Directive 1010.10, issued in 1986, established a baseline “policy on smoking in the DOD [Department of Defense] occupied buildings and facilities.”¹⁷ The policy emphasized a healthy military that discouraged smoking and designated authority to the services and to individual commanders to set specific policies.¹⁸ However, subsequent attempts to set such policies achieved limited results,^{19 20} in part because of the tobacco industry’s influence on Congress.^{5 18}

The industry successfully lobbied Congress to prevent the military from raising the prices of tobacco products sold in military stores,⁵ and to ensure that in-store tobacco promotions would not be prohibited.¹⁸ Congress also prevented the army from implementing a stronger tobacco control policy than that set by Directive 1010.10, although the directive was intended to be a policy floor upon which the services could expand.¹⁸ To achieve its goals, Congress privately pressured military tobacco control advocates,¹⁸ publicly scolded them,⁵ interfered with funding for military programs,⁵ and passed laws preventing the establishment of recommended tobacco control policies.^{5 16}

We examined an attempt by a former captain of the USS *Theodore Roosevelt* to ban smoking on the aircraft carrier and showed how tobacco industry lobbyists, working through their allies in the U.S. Congress, were successful in stymieing his efforts and forcing the Navy to sell cigarettes on all ships.

METHODS

As part of a larger project examining tobacco industry influence on the U.S. military, we searched internal tobacco industry documents released following the Master Settlement Agreement.²¹ Data were collected from the University of California, San Francisco Legacy Tobacco Documents Library (available at: <http://legacy.library.ucsf.edu>) and Tobacco Documents Online (available at: <http://tobaccodocuments.org>). Initial search terms included “Navy/smokefree” and “Navy/cigarettes”; we used a snowball approach to locate additional material.²² We also

¹²Helyer AJ, Brehm WT, Perino L. Economic consequences of tobacco use for the Department of Defense, 1995. *Mil Med.* 1998;163(4):217–221.

¹³Klesges RC, Haddock CK, Chang CF, Talcott GW, Lando HA. The association of smoking and the cost of military training. *Tob Control.* 2001;10(1):43–47.

¹⁴Dall TM, Zhang Y, Chen YJ, et al. Cost associated with being overweight and with obesity, high alcohol consumption, and tobacco use within the military health system’s TRICARE prime-enrolled population. *Am J Health Promot.* 2007; 22(2):120–139.

¹⁵Woodruff SI, Conway TL, Shillington AM, Clapp JD, Lemus H, Reed MB. Cigarette smoking and subsequent hospitalization in a cohort of young U.S. Navy female recruits. *Nicotine Tob Res.* 2010; 12(4):365–373.

¹⁶Offen N, Smith EA, Malone RE. “Willful misconduct”: how the U.S. government prevented tobacco-disabled veterans from obtaining disability pensions. *Am J Public Health.* 2010;100(7):1166–1173.

¹⁷Taft WH. Department of Defense Directive 1010.10 Health Promotion. March 11, 1986. Philip Morris collection. Bates no. 2047563159/3166. Available at: <http://legacy.library.ucsf.edu/tid/des52e00>. Accessed October 23, 2006.

¹⁸Arvey S, Malone RE. Advance and retreat: tobacco control policy in the U.S. military. *Mil Med.* 2008;173(10):985–991.

¹⁹Smith EA, Malone RE. Tobacco targeting of military personnel: “The plums are here to be plucked.” *Mil Med.* 2009;174(8):797–806.

²⁰Smith EA, Malone RE. “Everywhere the soldier will be”: wartime tobacco promotion in the U.S. military. *Am J Public Health.* 2009;99(9):1595–1602.

²¹National Association of Attorneys General. Master Settlement Agreement. Available at: http://www.naag.org/upload/1109185724_1032468605_cigmsa.pdf. Accessed July 7, 2009.

²²Malone RE, Balbach ED. Tobacco industry documents: treasure trove or quagmire? *Tob Control.* 2000;9(3):334–338.

searched the LexisNexis database for media coverage,²³ the Library of Congress Thomas database of legislative history,²⁴ and the U.S. Code collection at Cornell University Law School,²⁵ and conducted Internet searches for supplemental documents. We attempted to interview all principals in this case study and spoke with the former captain of the USS *Roosevelt*, Admiral Stanley Bryant (November 9, 2009) and former Navy Master Chief Petty Officer James Herdt (January 14, 2010), both of whom advocated for the USS *Roosevelt* policy change. We also interviewed former Secretary of the Navy John Dalton (October 22, 2009), who opposed the policy. Otherwise unattributed quotations from these individuals are taken from the interviews. Our inability to secure other interviews is a limitation of this study. We analyzed approximately 340 industry documents and 80 documents from other sources using an interpretive approach, chronologically organizing our findings as a descriptive case study.^{26 27}

RESULTS

Following Directive 1010.10, some Navy leaders began to propose policies to reduce smoking among their personnel. As early as 1986, Chief of Naval Operations James Watkins (1982–1986) proposed a tobacco-free Navy,²⁸ a goal reiterated in 1990 by the Navy surgeon general, Vice-Admiral James Zimble (1987–1990).²⁹ In February 1992, the Navy issued Instruction 6100.2, emphasizing tobacco-use prevention, cessation, and the protection of nonsmokers from secondhand smoke.³⁰ As a result, a number of ships restricted tobacco sales by limiting the number of brands carried, raising prices, or not selling tax-free cigarettes.³¹ Some ships restricted smoking to limited venues,³¹ tobacco-related promotional activities were curtailed at one Navy exchange,³² and naval hospitals ashore went smoke-free.³³ In early 1993, Navy Surgeon General Donald Hagen (1991–1995) asked the Office of the Secretary of Defense to end tobacco product price subsidies in commissaries and exchanges in all service branches, arguing that low cigarette prices contributed to high rates of smoking in the military.³⁴ By late 1993, the Office of the Secretary of Defense had not responded.^{35 36} (Cigarette prices in commissaries remained low, and only in 1996 were they marginally increased, at the instigation of an Assistant Secretary of Defense.)⁵

USS Roosevelt Bans Smoking

Shortly after assuming command of the aircraft carrier *Theodore Roosevelt*, Captain Stanley W. Bryant announced that the ship would become entirely smoke-free by July 1993, including an end to cigarette sales in the ship's store. Motivated by

²³ LexisNexis Academic Web site. Available at: <http://www.lexisnexis.com/us/lnacademic>. Accessed September 20, 2008.

²⁴ Library of Congress Thomas Web page. Available at: <http://thomas.loc.gov/home/multicongress/multicongress.html>. Accessed September 20, 2008.

²⁵ Cornell University Law School US Code collection. Available at: <http://www.law.cornell.edu/uscode>. Accessed September 13, 2008.

²⁶ Hill MR. *Archival Strategies and Techniques*. Newbury Park, CA: Sage Publications; 1993.

²⁷ Yin RK. *Case Study Research Design and Methods*. Thousand Oaks, CA: Sage Publications; 1994.

²⁸ Taylor M, Stump D. Sailors are under the "smoking gun." September 6, 1995. Philip Morris collection. Bates no. 2048895176/5180. Available at: <http://legacy.library.ucsf.edu/tid/yre35c00>. Accessed January 16, 2008.

²⁹ Zimble JA. I am writing to strongly object to Camel cigarette advertising that includes naval vessels and aircraft in the background. June 11, 1990. RJ Reynolds collection. Bates no. 507471512. Available at: <http://legacy.library.ucsf.edu/action/document/view?tid=eso24d00>. Accessed January 24, 2007.

³⁰ Dept of the Navy, Office of the Chief of Naval Operations. OPNAV Instruction 6100.2, Health Promotion Program. Available at: <http://www.nehc.med.navy.mil/bumed/tcat/tobacco/opnav%206100.2.pdf>. Accessed March 3, 2010.

³¹ Glennie L. Navy ship smoking restrictions. May 18, 1992. Philip Morris collection. Bates no. 2023176786. Available at: <http://legacy.library.ucsf.edu/tid/trs95e00>. Accessed April 15, 2008.

³² O'Rourke R. Dept of the Navy, Sale and use of tobacco products. June 19, 1992. Philip Morris collection. Bates no. 2076220349/0350. Available at: <http://legacy.library.ucsf.edu/tid/bqc62c00>. Accessed April 28, 2009.

³³ Navy News & Undersea Technology. First steps to a smoke-free Navy are under way. May 14, 1990. Philip Morris collection. Bates no. 2023175502. Available at: <http://legacy.library.ucsf.edu/tid/oqx83e00>. Accessed April 8, 2008.

³⁴ Hagen DF. Tobacco use reduction. March 24, 1993. Philip Morris collection. Bates no. 2023172986. Available at: <http://legacy.library.ucsf.edu/tid/iuc85e00>. Accessed December 6, 2006.

³⁵ Juliana J. Key issues: DOD smoking policies. May 6, 1993. Available at: http://tobaccodocuments.org/nysa_tis1/TI03081755.html. Accessed April 8, 2008.

³⁶ Linehan K. Washington outlook for 1994. December 29, 1993. Philip Morris collection. Bates no. 2025774681/4698. Available at: <http://legacy.library.ucsf.edu/tid/who14e00>. Accessed January 5, 2008.

a recently released report that secondhand smoke caused cancer in nonsmokers, Bryant felt obliged to act. He said, "I'm the commanding officer of these kids and I can't have them inhaling secondhand smoke. I wouldn't put them in the line of fire. I'm not going to put them in the line of smoke." Navy Surgeon General Hagen and Chief of Naval Operations Admiral Frank B. Kelso (1990–1994) supported Bryant's efforts.^{37 38}

The *Roosevelt* left port in March 1993 for 6 months at sea, having informed the crew in advance of the impending policy change. Cigarettes were removed from the ship's store, but chew tobacco was available because, according to Bryant, "although it's bad for the person, it doesn't adversely affect the other crew members." Crewmen were allowed to bring cigarettes aboard and would be able to smoke them in the few lavatories set aside for that purpose until the ban went into effect July 4. Thereafter, they would be able to smoke only in ports of call. Those lavatories were among the only spaces on board where the air was vented directly to the outside and not recirculated; however, maintaining smoking in the lavatories was untenable because measurements of the air quality in the lavatories showed high levels of toxicity and the smoke strayed to nearby berths.

According to Bryant, crew reaction was mixed: many nonsmokers expressed support, and some smokers complained. Command Master Chief James Herdt, who served as the highest-ranking enlisted person under Bryant, said the new policy was opposed by an "incredibly small group of people." When a crew member asked Bryant how he could take away his right to smoke, Bryant told him the military regulates the length of hair and fingernails, how one dresses, and other such matters that many things, such as conjugal privileges and alcohol consumption, are prohibited on ship; and that smoking cigarettes, like drinking alcohol and smoking marijuana, affected the health and welfare of the rest of the crew. Bryant reported that few infractions occurred and that he received many letters from his crew's family members thanking him for protecting their loved ones from smoke and making it easier for smokers to quit.

Tobacco Industry Reaction

Philip Morris and the Tobacco Institute, the industry's lobbying arm, observed that Navy Instruction 6100.2 represented a policy shift from accommodating both smokers and nonsmokers to privileging nonsmokers. One Philip Morris military sales executive said, "We are very concerned that the Navy appears to be getting to the point where they are mandating non-smoking."³¹ His colleague, Rita O'Rourke, noted that Instruction 6100.2 established that "where conflicts arise between the rights of smokers and rights of the nonsmokers, those of the nonsmokers shall prevail."³⁹ She called attention to permission given to commanders to punish violations, and argued that the provision forced smokers to quit.³⁹ With the emergence of stricter policies than Department of Defense Directive 1010.10, O'Rourke wondered whether to suggest that the Department of Defense revisit the issue, although that would risk a decision that "all Services . . . become smoke-free."⁴⁰

Bryant's tobacco control measures on the *Roosevelt* elicited particular industry concern. In a list of suggested talking points, Tobacco Institute counsel Jim Juliana told colleagues that the policy constituted "discrimination," a denial of freedom of choice, and a breach of contract. He argued,

People are recruited and granted certain privileges and rights which now seem to be denied in the middle of their service to their country.³⁵

(Bryant noted that when recruits ledge an oath to the Constitution, "it doesn't say a damn thing about smoking.") Juliana argued that the *Roosevelt* was home as well as workplace and suggested that tobacco products would be smuggled aboard and "used illegally and unwarranted and unnecessary punitive actions" would result.³⁵

³⁷ Law Offices of Shook, Hardy & Bacon. Report on recent ETS and IAQ developments. August 6, 1993. Lorillard collection. Bates no. 87806034/6062. Available at: <http://legacy.library.ucsf.edu/tid/tzb40e00>. Accessed April 15, 2008.

³⁸ Tobacco Institute. Executive summary. August 6, 1993. Tobacco Institute collection. Bates no. TICT0004527/4528. Available at: <http://legacy.library.ucsf.edu/tid/lgc42f00>. Accessed April 28, 2009.

³⁹ O'Rourke R. Department of the Navy violations of Department of Defense Directive 1010.10. March 6, 1993. Philip Morris collection. Bates no. 2023172961/2965. Available at: <http://legacy.library.ucsf.edu/tid/ouc85e00>. Accessed November 17, 2006.

⁴⁰ O'Rourke R. DOD-sale and use of tobacco products. March 16, 1993. Philip Morris collection. Bates no. 2023172957/2959. Available at: <http://legacy.library.ucsf.edu/tid/muc85e00>. Accessed October 17, 2006.

Congressional Hearing

Only a month after the Roosevelt went smoke-free, the Morale, Welfare, and Recreation (MWR) Panel of the House Armed Services Committee (HASC) took up the issue of tobacco control in the Navy, and the USS *Roosevelt* in particular.⁴¹ The panel had oversight of MWR activities offered to sailors, such as entertainment and sports programs. MWR was funded by profits from the ships' stores. Tobacco-friendly politicians challenged Rear Admiral Commander John Kavanaugh of Navy Exchange Command on the Navy's tobacco control policies, using many of the arguments suggested in a memo prepared by Juliana. For example, Representative Herbert Bateman (R-VA) characterized not being able to smoke aboard ship as a "trauma" for crew.⁴¹ He likened Navy smoking restrictions to the failed national policy of Prohibition (although alcohol use is prohibited on Navy ships).⁴² Representative John Tanner (D-TN), thought it was "entirely appropriate to perhaps restrict smoking for the convenience of those who object violently."⁴¹ "But," he added, "somebody is banning a legal commodity."⁴¹ He wondered if lottery tickets or hair spray might be next.⁴¹ Representative Solomon Ortiz (D-TX), chair of the panel, assured Kavanaugh that forcing sailors to remain smoke-free for months-long deployments would "cause problems."⁴¹

The panel was most concerned about eliminating cigarette sales in the ship's store. Will Cofer, MWR Panel staff member and long-time tobacco industry ally,⁴³ contended that the *Roosevelt* policy prohibiting sales had "created a black market within the Navy of selling cigarettes from one ship to another ship." He said, "[S]ome GIs are selling cigarettes at inflated prices to guys on the ship that can't buy cigarettes."⁴¹ (Bryant and Herdt acknowledged there was some profiteering on the *Roosevelt* when cigarettes were removed from the ship's store, but said that it was minimal.)

The real question about sales, however, involved the profits from the ship's stores. These profits supported MWR activities, and eliminating tobacco sales would reduce funding for them. Representative Bateman found it "incredible" that implementing a smoke-free base policy wouldn't "impact revenues generated from the sale of tobacco products on that base." Kavanaugh acknowledged that "profits and sales will be reduced," assuring the panel that there had been "no move to take cigarettes out of Navy exchanges," and that only 2 out of the Navy's "500 some ships" had banned sales.⁴¹ Representative Martin Lancaster (D-NC) questioned Kavanaugh about allowing local-level leaders to implement site-specific policy, expressing concern about how MWR funds would be equitably distributed among units that profited from tobacco sales and those that did not.⁴¹

Under congressional pressure, Kavanaugh said that he would report the panel's concerns to the Office of the Secretary of the Navy and the Chief Naval Officer.⁴¹ After Kavanaugh delivered the message that the MWR Panel was very disturbed by Captain Bryant's decision, the Navy sent the panel an official response, stating, "The Navy's smoking policy, for both afloat and ashore commands, is under review by Navy leadership."⁴¹

During the first 3 Congresses of the 1990s, the percentage of members of the MWR Panel who accepted contributions from the tobacco industry was higher than the congressional average. Although MWR Panel members received about 15 percent more industry money than other members during the first 2 Congresses of the 1990s, they accepted 93 percent more than all House members during the 103rd Congress (1993–1994), when this issue was considered (Table 1). In total, the tobacco industry contributed at least \$4.4 million to members of the House during these 3 Congresses.⁴⁴

⁴¹Exchange operations and activities: hearing before the Morale, Welfare, and Recreation Panel of the Committee on Armed Services, House of Representatives, 103rd Congress (1993).

⁴²Moore RS, Ames GM, Cunradi CB. Physical and social availability of alcohol for young enlisted naval personnel in and around home port. *Subst Abuse Treat Prev Policy*. 2007;2:17.

⁴³Gaillard RC. Project Breakthrough. March 24, 1994. RJ Reynolds collection. Bates no. 509721550/1552. Available at: <http://legacy.library.ucsf.edu/tid/ofz63d00>. Accessed February 17, 2010.

⁴⁴Center for Responsive Politics. Tobacco: Money to Congress. Available at: <http://www.opensecrets.org/industries/summary.php?cycle=1990&ind=A02>. Accessed May 12, 2010.

TABLE 1.—CAMPAIGN CONTRIBUTIONS FROM THE TOBACCO INDUSTRY TO MEMBERS OF THE MORALE, WELFARE AND RECREATIONAL (MWR) PANEL OF THE HOUSE OF REPRESENTATIVES' COMMITTEE ON ARMED SERVICES

[Amounts in dollars]

	Contributions			
	1990 ¹	1992 ²	1994 ³	Career
MWR Panel recipient:				
Neil Abercrombia (D-HI)		500	1,500	9,500
Herbert H. Bateman (R-VA)	8,100	8,450	5,260	41,548
Earl Hutto (D-FL)				
John R. Kasich (R-OH)	500	500	1,500	9,500
H. Martin Lancaster (D-NC)	18,200	22,198	44,720	85,118
Donald H. Machtley (R-RI)	1,750			1,750
Solomon P. Ortiz (D-TX)	1,000	500	6,000	33,000
Owen B. Pickett (D-VA)	2,850	2,000	6,500	25,750
Bob Stump (R-AZ)	2,000	3,500	2,500	15,250
John S. Tanner (D-TN)	5,700	4,700	5,500	157,700
Robert A. Underwood (D-GU)				
Total contributions received	40,100	42,348	73,480	379,116
Average donation received by all MWR Panel members	3,645	3,850	6,680	
Average donation received by all House members	3,118	3,393	3,458	

¹ MWR Panel members received on average 16.9 percent more than all House members.² MWR Panel members received on average 13.5 percent more than all House members.³ MWR Panel members received on average 93.2 percent more than all House members.*Congress Retaliates*

Tobacco industry observers interpreted the outcome of the HASC MWR Panel hearing as favorable to the industry. Internal industry communique's described various members of the panel as supportive of the industry's position and noted that "the military commanders who appeared before the panel stated that they would not support eliminating sales of tobacco products and would make their opposition known to officials."⁴⁵

However, industry reports were overly optimistic. Just 3 days after the hearing, the Tobacco Institute learned that Admiral Kelso had endorsed Bryant's decision to ban smoking and cigarette sales aboard the USS *Roosevelt*. The Institute reported to tobacco companies that

Several Members of Congress believe they were betrayed by this decision and intend to take legislative action including the removal of all Naval ship stores from the commissary system, thus eliminating the subsidy and forcing price increases on all other products.³⁸

Command Master Chief Herdt of the USS *Roosevelt* received a shipboard call from the highest-ranking enlisted person in the Navy, Master Chief Petty Officer John Hagan, urging a reversal of the ban. Hagan had been summoned to the office of a HASC MWR congressman, who chastised him severely about the no-smoking policy. Hagan reportedly said he had never been treated so abusively in his role as Master Chief Petty Officer. Nonetheless, Herdt and Bryant decided to continue the no-smoking policy.

A month after the hearing, in September 1993, Representative Owen Pickett (D-VA) and Representative Ortiz sponsored an amendment to the Defense Authorization Act for Fiscal Year 1994, stripping Federal subsidies from Navy ships' stores and requiring that they all sell tobacco products.⁴⁶ The amendment did not contain obviously pro-tobacco language, but merely revised the applicable section to replace the word "may" with "shall," thus reading: "(c) ITEMS SOLD.—Merchandise sold by ship stores afloat shall include items in the following categories . . ." and listed "to-

⁴⁵ [Philip Morris.] House panel voices opposition to DOD efforts to establish "smoke-free" military. August 9, 1993. Philip Morris collection. Bates no. 2047992778/2785. Available at: <http://legacy.library.ucsf.edu/tid/rgi57d00>. Accessed January 25, 2008.

⁴⁶ Tobacco Institute. Executive summary. September 17, 1993. Lorillard collection. Bates no. 87686227/6228. Available at: <http://legacy.library.ucsf.edu/tid/txt21e00>. Accessed April 15, 2008.

bacco products” as one among many items that must be made available.⁴⁷ The law does not mention specific tobacco products.

The amendment also transferred “the authority over all ships [sic] stores from ship captains to the Navy Exchange Command (NEXCOM).”⁴⁸ This transfer meant that oversight would now reside in “the Morale Welfare, and Recreation (MWR) Panel of the House Armed Services Committee.”⁴⁹

The tobacco industry reported that the legislation was prompted by the Navy’s tobacco control efforts. Philip Morris observed that “Congressional intervention reversed the imposition of a ‘smokefree’ policy aboard Navy ships.”³⁶ The Tobacco Institute noted that the Chief of Naval Operations angered Congressman Pickett and others by “renegeing on his promise to reverse the order by the Commanding Officer of the USS *Roosevelt* banning smoking and tobacco sales aboard ship.”⁴⁶

Navy Response

Before the Defense Authorization Act had been approved and signed by the President, the Navy implemented a new service-wide policy that prevented local-level personnel from banning smoking entirely.⁵⁰ On October 21, 1993, Secretary of the Navy John Dalton issued the “Smoking policy for Department of Navy controlled spaces,” effective January 1, 1994, which described exactly where designated smoking spaces would be established on ships or submarines.⁵⁰

Dalton sent Ortiz a copy of the policy.⁵¹ He wrote, “Appreciating your interest in the issue of smoking aboard Navy ships, I am pleased to advise you that . . . I have approved a policy that will be applicable to all Navy ships.”⁵¹ He continued, “Tobacco products will be sold in ship’s stores and will be priced similarly to those sold in Navy Exchanges ashore.” The new policy addressed only smoking regulations and not sales, suggesting that Dalton may have raised the sales issue in his cover letter and implemented the policy in an effort to forestall the adoption of the Pickett-Ortiz amendment. Ortiz immediately shared the victory with his tobacco industry allies, faxing the documents to Philip Morris just “minutes after” receiving Dalton’s letter and policy memo.⁵²

A naval press release characterized the policy as protecting people from “involuntary exposure to environmental tobacco smoke”⁵³ rather than reinstating smoking areas on ships that had eliminated them. The media thus reported Dalton’s policy as a crackdown on smoking, as opposed to a capitulation to members of the HASC MWR Panel.⁵⁴ When interviewed, Dalton was unable to recall additional details of the incident.

Despite Dalton’s policy, the Pickett-Ortiz amendment passed. The Navy tried to argue for amending it, contending that it would “increase the cost of merchandise to sailors, reduce funding for their ship’s morale, welfare, and recreation (MWR) programs and result in a less efficient program.”⁵⁵ In response, Pickett inserted lan-

⁴⁷ Cornell University Law School U.S. Code collection. Title 10, Subtitle C, Part IV, Chapter 651, § 7604 ships’ stores: sale of goods and services. Available at: http://www.law.cornell.edu/uscode/html/uscode10/uscode10 USC_sec_10_00007604-000-.html. Accessed August 14, 2009.

⁴⁸ Scott GR. Sale of tobacco products on ships stores. April 7, 1994. Philip Morris collection. Bates no. 2073010489. Available at: <http://legacy.library.ucsf.edu/tid/xps57c00>. Accessed January 16, 2008.

⁴⁹ [Philip Morris.] Washington Report: Defense Authorization Bill conferees adopt provision requiring ship stores to sell tobacco products. November 29, 1993. Philip Morris collection. Bates no. 2046215439/5445. Available at: <http://legacy.library.ucsf.edu/tid/vuh92e00>. Accessed January 16, 2008.

⁵⁰ Dept of the Navy. Smoking policy for Department of the Navy (DoN) controlled spaces. October 22, 1993. Philip Morris collection. Bates no. 2023172656/2658. Available at: <http://legacy.library.ucsf.edu/tid/jtt14e00>. Accessed December 1, 2006.

⁵¹ Dalton JH. Letter from John Dalton to Solomon Ortiz. October 21, 1993. Philip Morris collection. Bates no. 2023172654. Available at: <http://legacy.library.ucsf.edu/tid/suc85e00>. Accessed December 7, 2006.

⁵² Scott G. Navy smoking policy. October 22, 1993. Philip Morris collection. Bates no. 2023172653. Available at: <http://legacy.library.ucsf.edu/tid/uc85e00>. Accessed January 25, 2008.

⁵³ Navy announces new smoking policy [press release]. Washington, DC: U.S. Navy; October 21, 1993. Available at: <http://www.navy.mil/navydata/news/mednews/med93/med93041.txt>. Accessed November 9, 2009.

⁵⁴ Morris P. Navy cracks down on smoking with uniform new regulations. November 17, 1993. Philip Morris collection. Bates no. 2048159074/9146. Available at: <http://legacy.library.ucsf.edu/tid/xrs65e00>. Accessed April 24, 2008.

⁵⁵ Roark D. Impact on afloat sailors by converting ships stores from appropriated to non-appropriated funding. April 6, 1994. Philip Morris collection. Bates no. 2073010490. Available at: <http://legacy.library.ucsf.edu/tid/wps57c00>. Accessed April 10, 2008.

guage into the act delaying the date of implementation for 1 year, which successfully thwarted the Navy's attempt to repeal the law.⁵⁶

In September 1995, the Navy newspaper *Soundings* reported that the Navy had "thrown in the towel" and abandoned plans to become smoke-free by 2000.²⁸ The Navy was reported to have "conceded" that the goal was "unrealistic."²⁸ Instead, it established a goal to reduce smoking rates to 35 percent, the equivalent civilian rate at the time.²⁸ As of 2005, the smoking prevalence in the Navy was 32 percent,⁴ still more than 50 percent above the corresponding civilian rate of 21 percent.

Tobacco Industry Confidence

Internal industry communique's with wording such as "the provision we put through last year"⁵⁷ reveal the extent to which the industry was confident of the power it wielded. At the end of 1993, one Philip Morris executive wrote, "We are continuing to stimulate congressional opposition to efforts to restrict the sale of tobacco products in the military."³⁶ Another Philip Morris employee wrote in 1994, "We will be working with the MWR Panel to attempt to ensure that the Pickett-Ortiz provision is not repealed."⁴⁸ Industry lobbyists enjoyed access to key committee members.⁴⁰

Kelso visited the *Roosevelt* when it was deployed in the Mediterranean in August 1993 and told Bryant he was doing the right thing in banning smoking. However, when the *Roosevelt* returned to port in September 1993, Kelso told Bryant he was taking "immense heat" from every corner, including Congress and the Secretary of the Navy, for Bryant's actions and that all ships, including the *Roosevelt*, would have to accommodate smokers by providing a dedicated smoking area. In retrospect, Bryant was grateful that Kelso had put off overriding the *Roosevelt*'s smokefree policy until after its deployment. Bryant said, "I'm taking care of my crew. Who's going to take me to task for that? And in fact, the military did not." He added, "You've got to do what you think is right. For the most part, the media and Congress respect that, but then you've got big money and the tobacco industry that work against it."

DISCUSSION

In this case, the tobacco industry's influence over Congress clearly has harmed sailors in 2 ways. Foremost, sailors have been left exposed to secondhand smoke while deployed, compromising their safety and health. Congressional action mandating cigarette sales also ensured that this exposure would continue; the Navy could not in the future adopt strong tobacco control policies without congressional approval, since doing so would likely be difficult—and obviously hypocritical—to enforce a smokefree ship while still selling cigarettes. For instance, smoking on submarines continued to be allowed until it was prohibited at the end of 2010.^{58 59} Second, an opportunity to denormalize smoking was lost, and a tobacco-friendly atmosphere was maintained.

The tobacco industry appears to have had significant influence on Navy tobacco control efforts. Between 1988 and 1994, nearly 70 percent of Members of Congress received tobacco industry money,⁴⁴ which has been found to be associated with legislative support for tobacco industry positions.^{60 61 62} House MWR Panel members, many of whom represented tobacco States, accepted on average more and larger campaign contributions than other Housemembers. Certainly the industry and its consultants believed their actions resulted in reversing the smoke-free policies aboard the USS *Roosevelt*.

The U.S. military is one of the most powerful institutions in the world. Its mission, the protection of the country, requires personnel at peak readiness and performance; hence, military training stresses physical and mental fitness. The ulti-

⁵⁶U.S. Congress. Sec. 382. Ships' stores. May 4, 1994. Philip Morris collection. Bates no. 2073010557. Available at: <http://legacy.library.ucsf.edu/tid/fps57c00>. Accessed April 15, 2008.

⁵⁷Scott GR. DOD—cigarettes. May 5, 1994. Philip Morris collection. Bates no. 2073010555. Available at: <http://legacy.library.ucsf.edu/tid/hps57c00>. Accessed April 10, 2008.

⁵⁸U.S. Navy. Smoking to be extinguished on submarines. Available at: http://www.navy.mil/search/display.asp?story_id=52488. Accessed May 12, 2010.

⁵⁹Shanker T. To protect health of nonsmokers, Navy bans tobacco use on its submarine fleet. *The New York Times*. June 21, 2010:A16. Available at: <http://www.nytimes.com/2010/06/21/us/21smoking.html>. Accessed June 24, 2010.

⁶⁰Luke DA, Krauss M. Where there's smoke there's money: tobacco industry campaign contributions and U.S. Congressional voting. *Am J Prev Med*. 2004; 27(5):363–72.

⁶¹Glantz SA, Begay ME. Tobacco industry campaign contributions are affecting tobacco control policymaking in California. *Journal of the American Medical Association*. 1994;272(15):1176–82.

⁶²Monardi F, Glantz SA. Are tobacco industry campaign contributions influencing State legislative behavior? *Am J Public Health*. 1998;88(6):918–23.

mate responsibility for maintaining this force lies with Congress, which retains essential civilian oversight of the military. Such oversight, however, leaves military policy vulnerable to other interests.

A consistent pattern of congressional interference with military tobacco control efforts suggests several lessons for advocates. First, the industry-scripted response to military tobacco control policy that positions tobacco use as a “right” to be defended by Congress must be countered. Military readiness requires restrictions on activities or characteristics that interfere with fitness. All branches of the military, for example, set healthy weight parameters for recruits⁶³; restricting tobacco use is no more a violation of rights than is requiring maintenance of appropriate weight.

Second, congressional intervention has largely taken place out of public view; the MWR Panel’s actions ultimately took the form of small, seemingly technical changes to a comprehensive and necessary piece of legislation. It is likely that most Members of Congress were unaware of these amendments and their long-term impact on the health of Navy personnel. Such action is in keeping with other pro-tobacco legislative efforts, such as the passage of an amendment to the 1986 defense authorization bill requiring military commissaries to sell tobacco and forbidding them to raise prices.⁵ Directing public attention to such legislation, and making its proponents justify it in public, will likely be a necessary part of changing military tobacco control policy.

Finally, civilian public health organizations must play a stronger role in these efforts. The public may believe that the military is resistant to tobacco control; however, multiple studies have demonstrated that advocates at all levels of tobacco control in the military find themselves or their services to be the target of political attacks.^{5 18} Because all active-duty military personnel are constrained by the structural controls on their lobbying activity, their ability to respond to these attacks is limited. A coalition of public health, tobacco control, and veterans’ service groups and health-focused congressional allies needs to organize to achieve effective military tobacco control policies. Such a coalition could shine a light on congressional actions that thwart military tobacco control efforts and facilitate those that help the military achieve the goal recently called for by the Institute of Medicine: a tobacco-free military.⁴

This coalition could reframe military tobacco control issues. Veterans might be particularly effective at debunking the idea that military personnel deserve the freedom to smoke by talking about years of postservice addiction that began in a tobaccofriendly military.¹⁶ Similar reframing should be used in advocating for clean indoor air for all military personnel. Tobacco-sickened veterans could help drive home the point that military policy lags behind civilian policy in the percentages of people fully protected by proven, effective tobacco control policies recommended for use globally,⁶⁴ including smoke-free spaces and high tobacco taxes. Members of the services assume unavoidable risks as part of the military mission, but exposure to cigarette smoke should not be one of them.

Senator COCHRAN. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Have there been studies comparing, say, the returning veterans’ respiratory and lung problems, say, with the ones that came out of the Gulf in 1991?

Captain CONNOR. Senator Shelby, I would like to research that and get right back to you with a full answer to that.

Senator SHELBY. Would you do that for the record?

Captain CONNOR. We certainly will get right back to you on that. [The information follows:]

I wanted to thank you and the Senate Appropriations Subcommittee on Defense for allowing me the opportunity to testify on June 22 about lung health and the military. I also wanted to follow up with some information regarding questions you asked me about lung health problems in veterans and steps the Department of Defense (DOD) has taken regarding tobacco.

First, you asked me if there were any data comparing the lung health of veterans of the 1991 gulf war to veterans of the current conflict. Researchers and doctors are

⁶³ 10 Steps to joining the military: height and weight charts. Available at: http://www.military.com/Recruiting/Content/0,13898,rec_step07_hw,00.html. Accessed May 3, 2010.

⁶⁴ World Health Organization. WHO Framework Convention on Tobacco Control. Available at: <http://www.who.int/tobacco/framework/en>. Accessed February 26, 2010.

beginning to address this question. The evidence thus far shows that veterans of the first gulf war had a variety of respiratory problems, which we are likely to find in veterans of the current war. However, there are also differences in the toxins personnel were exposed to, and in length of time they were exposed. As you know, the first gulf war was much shorter than the current one. We are still learning how these differences affect the lung health of today's troops.

There is certainly enough evidence to warrant concern for our current troops and action from DOD. One study conducted by Vanderbilt University suggests that certain exposures during the current conflict have caused serious cases of constrictive bronchiolitis, a condition associated with damage or destruction of over 50 percent of small airways.¹ In a review of DOD studies, the National Academy of Sciences' National Research Council (NRC) concluded that troops deployed in the Middle East are "exposed to high concentrations" of particulate matter associated with harm "affecting troop readiness during service" and even "occurring years after exposure."² Much more surveillance and research is needed, which is why I urged in my testimony that DOD be required to develop better ways to measure and track lung disease in military personnel, including taking baseline measures prior to deployment and creating a national registry to track all veterans who were exposed to pollutants while in Iraq and Afghanistan.

I also wanted to follow-up with you regarding your question about what the DOD has done so far to help tobacco users in the military quit. As I shared in my testimony, the Institute of Medicine (IOM) found that the Pentagon spends \$1.6 billion annually on tobacco-related medical care, increased hospitalization and lost days of work. While there have been some efforts—notably the "Quit Tobacco, Make Everyone Proud" website³—they have not been enough, especially in light of the severity of the problem. Access to tobacco cessation programs and medication varies among bases and military branches. And despite urgings from the Institute of Medicine report on the subject,⁴ and a requirement in the Duncan Hunter National Defense Authorization for Fiscal Year 2009,⁵ TRICARE still does not cover treatments to help tobacco users quit.

The American Lung Association recommends that the Department of Defense implement all recommendations called for in the 2009 IOM report *Combating Tobacco Use in Military and Veterans Populations* that I discussed in my testimony. The IOM has laid out a very careful, scientifically based road map for the DOD to follow and the American Lung Association strongly urges the Committee to ensure that the report's recommendations be implemented without further delay.

Senator SHELBY. Second, what is the Department of Defense doing to discourage smoking? As the chairman noted, they used to promote smoking, I guess, or help, aid, and abet it. What are they doing to discourage it, because a lot of the young people, not just soldiers but in our college campuses, a lot of them smoke. A lot of them quit. A lot of them quit too late.

Captain CONNOR. Right. It's a two-part question, what are they doing to prevent it and stop it; and then what are they doing to help people get off cigarettes.

Senator SHELBY. Right.

Captain CONNOR. There are some smoking cessation efforts which we believe could be better resourced. We don't feel they're doing nearly enough to prevent it. The study that I referred to has very excellent concrete recommendations, like let's suggest all officers not smoke. When kids come into boot camp, they can't smoke. So we could start by grandfathering that starting today, saying,

¹Robert F. Miller, MD. Vanderbilt University Medical Center. Testimony before the United States Senate Committee on Veterans' Affairs. "Airway injury in U.S. soldiers following service in Iraq and Afghanistan" October 8, 2009.

²National Academy of Sciences, National Research Council. Review of the Department of Defense Enhanced Particulate Matter Surveillance Program Report. 2010. <http://www.nap.edu/catalog/12911.html>. Accessed June 7, 2011.

³www.ucanquit2.org.

⁴Institute of Medicine. *Combating Tobacco Use in Military and Veteran Populations*. 2009. http://www.nap.edu/catalog.php?record_id=12632.

⁵http://www.dod.gov/dodgc/olc/docs/2009NDAA_PL110-417.pdf.

okay, when you get through boot camp, guess what, you can't go back smoking.

So there's a number of things that could be done to attack this problem over time. Nobody's suggesting that the knife come down tomorrow and say no smoking. But I think steps could be taken to arrest this problem and stop it from growing.

Senator SHELBY. I think all of us know that the more you smoke the less you're going to run, probably the fewer miles you're going to march, the fewer minutes you can do exercise, too. That's just common sense.

Captain CONNOR. That's right. The other thing, you've got the military exchanges are making money from the cigarettes. That's a big issue, too. Then there's a reluctance of combat commanders that we hear about from the health people in DOD, a reluctance to deprive troops of something that they say affects their morale and things like that.

Senator SHELBY. Thank you.

Chairman INOUE. Thank you very much, Captain.

The next witness is Mr. Rick Jones, National Association for Uniformed Services.

STATEMENT OF RICK JONES, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

Mr. JONES. Chairman Inouye, Vice Chairman Cochran, Senator Shelby: Thank you very much.

The National Association for Uniformed Services is concerned about the investment we're making in our defense. As hard as you work, too often we still depend on aging fleets of aircraft, ships, and vehicles across the services. We must continue to drive toward modernization and that means investment.

The message our members ask me to bring is simple and direct: Anyone who goes into harm's way under the flag of the United States needs to be deployed with the best our Nation can provide. Our troops in the field depend on America's support. Critical funding provides them the margins they need for success.

TRICARE, the provision of quality, timely healthcare, is considered one of the most important non-cash earned benefits afforded those who serve a career in the military. Our service members and their families make great sacrifices for all of us. The TRICARE benefit reflects the commitment of a Nation to those who serve, and it deserves your wholehearted support.

Our fiscal situation, of course, requires shared sacrifice. But our military and our military retirees should bear no more than their share. For those who give their career to a uniformed service, our organization asks you to provide full funding for the securing of their earned benefit.

It's our understanding that certain leaders in Congress have agreed with the Department of Defense regarding a 13 percent increase in TRICARE fees paid by military retirees. NAUS does not agree and, after hearing for more than a year the Secretary of Defense and the Chairman of the Joint Chiefs say that rising costs of retiree healthcare was crippling our Nation's national security, we read that the House Appropriations Committee intends to use \$330 million of unexecuted money in the TRICARE health program

for funding additional congressionally directed medical research programs, many of which are outside traditional battlefield medicine and/or duplicate subjects covered by the National Institutes of Health. It's not appropriate. Our folks might be outraged when they hear this, that their healthcare they'll have to pay more for, but the money's going for additional research in areas unrelated to the military.

My association urges you to provide adequate funding for military construction and family housing accounts. The funds for base allowance and housing should ensure that those serving our country are able to afford to live in quality housing.

Walter Reed. Another matter of great interest to our members is the plan to realign the National Capital area's military health programs. While we herald this development, we're hearing that things may not be quite in order or ready by the September BRAC deadline. The deadline may have to be extended and we hope that you'll take a look at that to make sure that our wounded warriors don't fall through the cracks in this transfer from the old Walter Reed to the new Bethesda facility.

DOD prosthetic research. My organization and association encourages the subcommittee to ensure that funding for DOD prosthetic research is adequate to support the full range of programs needed to meet current and future challenges facing wounded warriors.

Post-traumatic stress and traumatic brain injury are indeed signature injuries and they deserve your support.

We would also ask that the Armed Forces Retirement Home receive your attention. We encourage both the home in Washington, DC, and the home in Gulfport, Mississippi, give your attention to both of those for adequate funding. The Gulfport home has been open now for about 9 months, the new one, and we're encouraged to read what's going on down there with regard to care. But we're also concerned about some of the investigations regarding employees.

The Uniformed Services Health System deserves your support and we thank you very much for the opportunity to testify.

[The statement follows:]

PREPARED STATEMENT OF RICK JONES

Chairman Inouye, Vice Chairman Cochran, and members of the Subcommittee: It is a pleasure to appear before you today to present the views of The National Association for Uniformed Services on the fiscal year 2012 Defense Appropriations bill.

My name is Rick Jones, Legislative Director of the National Association for Uniformed Services (NAUS). And for the record, NAUS has not received any Federal grant or contract during the current fiscal year or during the previous 2 fiscal years in relation to any of the subjects discussed today.

As you know, the National Association for Uniformed Services, founded in 1968, represents all ranks, branches and components of uniformed services personnel, their spouses and survivors. The Association includes personnel of the active, retired, Reserve and National Guard, disabled veterans, veterans community and their families. We love our country and our flag, believe in a strong national defense, support our troops and honor their service.

Mr. Chairman, the first and most important responsibility of our government is the protection of our citizens. As we all know, we are at war. That is why the defense appropriations bill is so very important. It is critical that we provide the resources to those who fight for our protection and our way of life. We need to give our courageous men and women everything they need to prevail. And we must rec-

ognize as well that we must provide priority funding to keep the promises made to the generations of warriors whose sacrifice has paid for today's freedom.

We simply must have a strong investment in the size and capability of our air, land and naval forces. And we must invest in fielding new weapons systems today to meet the challenges of tomorrow.

We cannot depend on aging fleets of aircraft, ships and vehicles across the services. We must continue to drive toward modernization and make available the resources we will need to meet and defeat the next threats to our security.

Our Nation is protected by the finest military the world has ever seen. The message our members want you to hear is simple and direct: Any one who goes into harm's way under the flag of the United States needs to be deployed with the best our Nation can provide. We need to give our brave men and women everything they need to succeed. And we must never cut off or unnecessarily delay critical funding for our troops in the field.

The National Association for Uniformed Services is very proud of the job this generation of Americans is doing to defend America. Every day they risk their lives, half a world away from loved ones. Their daily sacrifice is done in today's voluntary force. What they do is vital to our security. And the debt we owe them is enormous.

Our Association also carries concerns about a number of related matters. Among these is the provision of a proper healthcare for the military community and recognition of the funding requirements for TRICARE for retired military. Also, we will ask for adequate funding to improve the pay for members of our armed forces and to address a number of other challenges including TRICARE Reserve Select and the Survivor Benefit Plan.

We also have a number of related priority concerns such as the diagnosis and care of troops returning with post traumatic stress disorder (PTSD) and traumatic brain injury (TBI), the need for enhanced priority in the area of prosthetics research, and providing improved seamless transition for returning troops between the Department of Defense (DOD) and the Department of Veterans Affairs (VA). In addition, we would like to ensure that adequate funds are provided to defeat injuries from the enemy's use of improvised explosive devices (IEDs).

TRICARE and Military Quality of Life: Health Care

Quality healthcare is a strong incentive to make military service a career. The provision of quality, timely care is considered one of the most important benefits afforded the career military. The TRICARE benefit, earned through a career of service in the uniformed services, reflects the commitment of a Nation, and it deserves your wholehearted support.

It should also be recognized that discussions have once again begun on increasing the retiree-paid costs of TRICARE earned by military retirees and their families. We remember the outrageous statement of Dr. Gail Wilensky, a co-chair of the Task Force on the Future of Military, calling congressional passage of TRICARE for Life "a big mistake."

And more recently, we heard Admiral Mike Mullen, the current Chairman of Joint Chiefs of Staff, call for increases in TRICARE fees. Mullen said, "It's a given as far as I'm concerned."

Our Association does not believe those who have given so much to their country in service and sacrifice should again be placed at the head of the line for budget reductions. We have testified before the authorizing committee to "hold the line" on fee increases. However, with comments like these from those in military leadership positions, there is little wonder that retirees and active duty personnel are concerned.

Seldom has NAUS seen such a lowing in confidence about the direction of those who manage the program. Faith in our leadership continues, but it is a weakening faith. And unless something changes, it is bound to affect recruiting and retention, even in a down economy.

Fraud and Criminal Activity Costs Medicare and TRICARE Billions of Dollars

Reports continue from the Government Accountability Office (GAO), the investigative arm of the United States Congress, and related government agencies that show us that multi-billions of Medicare money is being ripped off every year. While those in government responsible for the management of Medicare and TRICARE tell us that their investigations into these matters are working, the clear sign suggests otherwise. Our Medicare and TRICARE programs are desperately in need of improved management to stop the loss of billions of dollars.

Here are a couple of examples. GAO reports that one company billed Medicare for \$170 million for HIV drugs. In truth, the company dispensed less than \$1 mil-

lion. In addition, the company billed \$142 million for nonexistent delivery of supplies and parts and medical equipment.

In another example, fake Medicare providers billed Medicare for prosthetic arms on people who already have two arms. The fraud amounted to \$1.4 billion of bills for people who do not need prosthetics.

We need action to corral fraud and bring it to an end. What we've seen, however, is delay and second-hand attention with insufficient resources dedicated to TRICARE fraud conviction and recovery of money paid wrongly to medical care thieves.

Last year, we cited the lack of information on TRICARE fraud activities. We suggested that one need only view the TRICARE Program Integrity Office web site to see a reflection of this inactivity. At that time the most recent Fraud Report was dated 2008 there were only two items listed under "News" for 2010 and no items for 2009.

This year, it's good, though hardly adequate, to see the TRICARE Program Integrity Office update its information on its activities. The report for 2010 indicates that a TRICARE Anti-Fraud Conference took place last April. While these is no related "News" on this conference as there was in 2007, the report notes, "the education, information sharing and networking that takes place during and after each conference creates a surge in fraud case identification and referrals from attendees." Yet there is nothing in the "News" that supports such a surge of beneficial activity took place. It seems more gloss than fact.

Our members tire of hearing they should pay more for the healthcare earned in honorable service to country when they hear stories about or see little evidence of our government doing anything but sitting on its hands, often taking little to no action for years on this type of criminal activity, with the exception of an annual conference.

NAUS urges the Subcommittee to challenge DOD and TRICARE authorities to put some guts behind efforts to drive fraud down and out of the system. If left unchecked, fraud will increasingly strip away resources from government programs like TRICARE. And unless Congress directs the Administration to take action, we all know who will be left holding the bag and paying higher fees to cover fraud losses—the law-abiding retiree and family.

We urge the Subcommittee to take the actions necessary for honoring our obligation to those men and women who have worn the Nation's military uniform. Use your spending power to move TRICARE to root out the corruption, fraud and waste. And help confirm America's solemn, moral obligation to support our troops, our military retirees, and their families. They have kept their promise to our Nation, now it's time for us to keep our promise to them.

Military Quality of Life: Pay

For fiscal year 2012, the Administration recommends a 1.6 percent across-the-board pay increase for members of the Armed Forces. The proposal is designed, according to the Pentagon, to keep military pay in line with civilian wage growth.

The National Association for Uniformed Services commends Congress and the Administration for its attention to troops pay. A good job has been done over the recently past years to narrow the gap between civilian-sector and military pay. The differential, which was as great as 14 percent in the late 1990s, has been reduced to just below 3 percent with the January 2011 pay increase.

The National Association for Uniformed Services applauds you, Mr. Chairman, for the strides you have made, and we encourage you to continue your efforts to ensure DOD manpower policy maintains a compensation package that is attractive and competitive to our fighting men and women.

We also encourage your review of providing bonus incentives to entice individuals with certain needed skills into special jobs that help supply our manpower for critical assets. These packages can also attract "old hands" to come back into the game with their skills.

The National Association for Uniformed Services asks you to do all you can to fully compensate these brave men and women for being in harm's way, we should clearly recognize the risks they face and make every effort to appropriately compensate them for the job they do.

Military Quality of Life: Family Housing Accounts

The National Association for Uniformed Services urges the Subcommittee to provide adequate funding for military construction and family housing accounts used by DOD to provide our service members and their families quality housing. The funds for base allowance and housing should ensure that those serving our country are able to afford to live in quality housing whether on or off the base. The current

program to upgrade military housing by privatizing Defense housing stock is working well. We encourage continued oversight in this area to ensure joint military-developer activity continues to improve housing options. Clearly, we need to be particularly alert to this challenge as we implement BRAC and related rebasing changes.

The National Association for Uniformed Services also asks special provision be granted the National Guard and Reserve for planning and design in the upgrade of facilities. Since the terrorist attacks of September 11, 2001, our Guardsmen and reservists have witnessed an upward spiral in the rate of deployment and mobilization. The mission has clearly changed, and we must recognize that Reserve Component Forces account for an increasing role in our national defense and homeland security responsibilities. The challenge to help them keep pace is an obligation we owe for their vital service.

Increase Force Readiness Funds

The readiness of our forces is in decline. The long war fought by an overstretched force tells us one thing: there are simply too many missions and too few troops. Extended and repeated deployments are taking a human toll. Back-to-back deployments means, in practical terms, that our troops face unrealistic demands. To sustain the service we must recognize that an increase in troop strength is needed and it must be resourced.

In addition, we ask you to give priority to funding for the operations and maintenance accounts where money is secured to reset, recapitalize and renew the force. The National Guard, for example, has virtually depleted its equipment inventory, causing rising concern about its capacity to respond to disasters at home or to train for its missions abroad.

The deficiencies in the equipment available for the National Guard to respond to such disasters include sufficient levels of trucks, tractors, communication, and miscellaneous equipment. If we have another overwhelming storm, tornado, hurricane or, God forbid, a large-scale terrorist attack, our National Guard is not going to have the basic level of resources to do the job right.

Walter Reed Army Medical Center

Another matter of great interest to our members is the plan to realign and consolidate military health facilities in the National Capital Region. The proposed plan includes the realignment of all highly specialized and sophisticated medical services currently located at Walter Reed Army Medical Center in Washington, DC, to the National Naval Medical Center in Bethesda, Maryland, and the closing of the existing Walter Reed by September 15, 2011.

Our members are concerned about recent reports that the newly expanded medical center in Bethesda, Maryland, and the new community hospital at Fort Belvoir in Fairfax County, Virginia, are unready for the move. According to these reports, a number of operating rooms and patient services are not in conditions to allow transferring patients and staff from Walter Reed.

The National Association for Uniformed Services believes that Congress must continue to provide adequate resources for WRAMC to maintain its base operations' support and medical services required for uninterrupted care of our catastrophically wounded soldiers and Marines as they move through needed treatment in this premier medical center.

We request that funds be in place to ensure that Walter Reed remains open, fully operational and fully functional, until the planned facilities at both Bethesda and Fort Belvoir are in place, fully functional and ready to give appropriate care and treatment to the men and women wounded in armed service. A 9-month delay would make a world of difference for our retirees and for the wounded warriors and their families.

Our wounded warriors deserve our Nation's best, most compassionate healthcare and quality treatment system. They earned it the hard way. And with application of the proper resources, we know the Nation will continue to hold the well being of soldiers and their families as our number one priority.

Department of Defense, Seamless Transition Between the DOD and VA

The development of electronic medical records remains a major goal. It is our view that providing a seamless transition for recently discharged military is especially important for servicemembers leaving the military for medical reasons related to combat, particularly for the most severely injured patients.

The National Association for Uniformed Services is pleased to receive the support of President Obama and the forward movement of Secretaries Gates and Shinseki toward this long-supported goal of providing a comprehensive e-health record.

The National Association for Uniformed Services calls on the Appropriations Committee to continue the push for DOD and VA to follow through on establishing a bi-directional, interoperable electronic medical record. Since 1982, these two departments have been working on sharing critical medical records, yet to date neither has effectively come together in coordination with the other.

Taking care of soldiers, sailors, airmen and marines is a national obligation, and doing it right sends a strong signal to those currently in military service as well as to those thinking about joining the military.

DOD must be directed to adopt electronic architecture including software, data standards and data repositories that are compatible with systems in use at the Department of Veterans Affairs. It makes absolute sense and it would lower costs for both organizations.

If our seriously wounded troops are to receive the care they deserve, the departments must do what is necessary to establish a system that allows seamless transition of medical records. It is essential if our Nation is to ensure that all troops receive timely, quality healthcare and other benefits earned in military service.

To improve the DOD/VA exchange, the transfer should include a detailed history of care provided and an assessment of what each patient may require in the future, including mental health services. No veteran leaving military service should fall through the bureaucratic cracks.

Defense Department Force Protection

The National Association for Uniformed Services urges the Subcommittee to provide adequate funding to rapidly deploy and acquire the full range of force protection capabilities for deployed forces. This would include resources for up-armored high mobility multipurpose wheeled vehicles and add-on ballistic protection to provide force protection for soldiers in Iraq and Afghanistan, ensure increased activity for joint research and treatment effort to treat combat blast injuries resulting from improvised explosive devices (IEDs), rocket propelled grenades, and other attacks; and facilitate the early deployment of new technology, equipment, and tactics to counter the threat of IEDs.

We ask special consideration be given to counter IEDs, defined as makeshift or "homemade" bombs, often used by enemy forces to destroy military convoys and currently the leading cause of casualties to troops deployed in Iraq. These devices are the weapon of choice and, unfortunately, a very effective weapon used by our enemy. The Joint Improvised Explosive Device Defeat Organization (JIEDDO) is established to coordinate efforts that would help eliminate the threat posed by these IEDs. We urge efforts to advance investment in technology to counteract radio-controlled devices used to detonate these killers. Maintaining support is required to stay ahead of our enemy and to decrease casualties caused by IEDs.

Defense Health Program—TRICARE Reserve Select

Mr. Chairman, another area that requires attention is reservist participation in TRICARE. As we are all aware, National Guard and Reserve personnel have seen an upward spiral of mobilization and deployment since the terrorist attacks of September 11, 2001. The mission has changed and with it our reliance on these forces has risen. Congress has recognized these changes and begun to update and upgrade protections and benefits for those called away from family, home and employment to active duty. We urge your commitment to these troops to ensure that the long overdue changes made in the provision of their healthcare and related benefits is adequately resourced. We are one force, all bearing a critical share of the load.

Department of Defense, Prosthetic Research

Clearly, care for our troops with limb loss is a matter of national concern. The global war on terrorism in Iraq and Afghanistan has produced wounded soldiers with multiple amputations and limb loss who in previous conflicts would have died from their injuries. Improved body armor and better advances in battlefield medicine reduce the number of fatalities, however injured soldiers are coming back oftentimes with severe, devastating physical losses.

In order to help meet the challenge, Defense Department research must be adequately funded to continue its critical focus on treatment of troops surviving this war with grievous injuries. The research program also requires funding for continued development of advanced prosthesis that will focus on the use of prosthetics with microprocessors that will perform more like the natural limb.

The National Association for Uniformed Services encourages the Subcommittee to ensure that funding for Defense Department's prosthetic research is adequate to support the full range of programs needed to meet current and future health challenges facing wounded veterans. To meet the situation, the Subcommittee needs to focus a substantial, dedicated funding stream on Defense Department research to

address the care needs of a growing number of casualties who require specialized treatment and rehabilitation that result from their armed service.

We would also like to see better coordination between the Department of Defense Advanced Research Projects Agency and the Department of Veterans Affairs in the development of prosthetics that are readily adaptable to aid amputees.

Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI)

The National Association for Uniformed Services supports a higher priority on Defense Department care of troops demonstrating symptoms of mental health disorders and traumatic brain injury.

It is said that traumatic brain injury (TBI) is the signature injury of the Iraq war. Blast injuries often cause permanent damage to brain tissue. Veterans with severe TBI will require extensive rehabilitation and medical and clinical support, including neurological and psychiatric services with physical and psycho-social therapies.

We call on the Subcommittee to fund a full spectrum of TBI care and to recognize that care is also needed for patients suffering from mild to moderate brain injuries, as well. The approach to this problem requires resources for hiring caseworkers, doctors, nurses, clinicians and general caregivers if we are to meet the needs of these men and women and their families.

The mental condition known as Post Traumatic Stress Disorder (PTSD) has been well known for over a hundred years under an assortment of different names. For example more than 60 years ago, Army psychiatrists reported, "That each moment of combat imposes a strain so great that . . . psychiatric casualties are as inevitable as gunshot and shrapnel wounds in warfare."

PTSD is a serious psychiatric disorder. While the government has demonstrated over the past several years a higher level of attention to those military personnel who exhibit PTSD symptoms, more should be done to assist service members found to be at risk.

Pre-deployment and post-deployment medicine is very important. Our legacy of the gulf war demonstrates the concept that we need to understand the health of our service members as a continuum, from pre- to post-deployment.

The National Association for Uniformed Services applauds the extent of help provided by the Defense Department, however, we encourage that more resources be made available to assist. Early recognition of the symptoms and proactive programs are essential to help many of those who must deal with the debilitating effects of mental injuries, as inevitable in combat as gunshot and shrapnel wounds.

We encourage the Members of the Subcommittee to provide these funds, to closely monitor their expenditure and to see they are not redirected to other areas of defense spending.

Armed Forces Retirement Home

The National Association for Uniformed Services is pleased to note the Subcommittee's continued interest in providing funds for the Armed Forces Retirement Home (AFRH). We urge the Subcommittee to meet the challenge in providing adequate funding for the facilities in Washington, DC, and Gulfport, Mississippi.

And we thank the Subcommittee for the provision of funding that has led to the successful reopening of the Armed Forces Retirement Home in Gulfport, destroyed in 2005 as a result of Hurricane Katrina. The Gulfport facility has the capacity to provide independent living, assisted living and long-term care to more than 500 residents.

Regarding Gulfport, members of our association are seriously concerned about a recent investigation into healthcare and related operations at the Mississippi Retirement Home. According to published reports five employees have resigned as a result of the investigation initiated by the AFRH acting chief operating officer. We ask that you ensure that residents' care and health is not put at risk by the reported troubles at Gulfport.

The National Association for Uniformed Services applauds the Subcommittee's clear recognition of the Washington AFRH as a historic national treasure. And we look forward to working with the Subcommittee to continue providing a residence for and quality-of-life enhancements to these deserving veterans. We ask that continued care and attention be given to the mixed-use development to the property's southern end, as approved.

The AFRH homes are historic national treasures, and we thank Congress for its oversight of this gentle program and its work to provide for a world-class care for military retirees.

Improved Medicine with Less Cost at Military Treatment Facilities

The National Association for Uniformed Services is also seriously concerned over the consistent push to have Military Health System beneficiaries age of 65 and over

moved into the civilian sector from military care. That is a very serious problem for the Graduate Medical Education (GME) programs in the MHS; the patients over 65 are required for sound GME programs, which, in turn, ensure that the military can retain the appropriate number of physicians who are board certified in their specialties.

TRICARE/HA policies are pushing these patients out of military facilities and into the private sector where the cost per patient is at least twice as expensive as that provided within Military Treatment Facilities (MTFs). We understand that there are many retirees and their families who must use the private sector due to the distance from the closest MTF; however, where possible, it is best for the patients themselves, GME, medical readiness, and the minimizing the cost of TRICARE premiums if as many non-active duty beneficiaries are taken care of within the MTFs. As more and more MHS beneficiaries are pushed into the private sector, the cost of the MHS rises. The MHS can provide better medicine, more appreciated service and do it at improved medical readiness and less cost to the taxpayers.

Uniformed Services University of the Health Sciences

As you know, the Uniformed Services University of the Health Sciences (USUHS) is the Nation's Federal school of medicine and graduate school of nursing. The medical students are all active-duty uniformed officers in the Army, Navy, Air Force and U.S. Public Health Service who are being educated to deal with wartime casualties, national disasters, emerging diseases and other public health emergencies.

The National Association for Uniformed Services supports the USUHS and requests adequate funding be provided to ensure continued accredited training, especially in the area of chemical, biological, radiological and nuclear response. In this regard, it is our understanding that USUHS requires funding for training and educational focus on biological threats and incidents for military, civilian, uniformed first responders and healthcare providers across the nation.

Our members would also like to recognize the high quality of the medical education and training provided at the Uniformed Services University of the Health Sciences. The care given Congresswomen Gabrielle Giffords offers a clear example.

USUHS trained three of the key physicians who performed life-saving procedures in the hours following the tragedy in Tucson. Retired Navy Captain Peter Rhee relied on more than 20 years of military medical experience to provide experienced trauma care to the Congresswoman. Interim Chief of Neurology Army Colonel Geoffrey Ling assisted and Dr. Jim Ecklund, another highly regarded neurosurgeon, was also part of the brain injury team. All are graduates of the military university, and by the way, Dr. Ecklund was a classmate of Dr. Rhee's at USUHS.

Joint POW/MIA Accounting Command (JPAC)

We also want the fullest accounting of our missing servicemen and ask for your support in DOD dedicated efforts to find and identify remains. It is a duty owed to the families of those still missing as well as to those who served and who currently serve.

NAUS supports the fullest possible accounting of our missing servicemen. It is a duty we owe the families, to ensure that those who wear our country's uniform are never abandoned. We request that appropriate funds be provided to support the JPAC mission for fiscal year 2012.

Appreciation for the Opportunity to Testify

As a staunch advocate for our uniformed service men and women, The National Association for Uniformed Services recognizes that these brave men and women did not fail us in their service to country, and we, in turn, must not fail them in providing the benefits and services they earned through honorable military service.

Mr. Chairman, The National Association for Uniformed Services appreciates the Subcommittee's hard work. We ask that you continue to work in good faith to put the dollars where they are most needed: in strengthening our national defense, ensuring troop protection, compensating those who serve, providing for DOD medical services including TRICARE, and building adequate housing for military troops and their families, and in the related defense matters discussed today. These are some of our Nation's highest priority needs, and we are confident you will give them the level of attention they deserve.

The National Association for Uniformed Services is confident you will take special care of our Nation's greatest assets: the men and women who serve and have served in uniform. We are proud of the service they give to America every day. They are vital to our defense and national security. The price we pay as a Nation for their service and their earned benefits is a continuing cost of war, and it will never cost more nor is it ever likely to equal the value of their service.

Again, the National Association for Uniformed Services deeply appreciates the opportunity to present the Association's views on the issues before the Defense Appropriations Subcommittee.

Chairman INOUE. Mr. Jones, your concerns will be seriously considered, I guarantee you, sir.

Senator COCHRAN. Mr. Chairman, I can't help but compliment the witness for mentioning the retirement home in Gulfport. I'm happy to report the last time I drove by the facility it looked like it was on the road to full recovery. Residents who had lived there before Hurricane Katrina are returning and happy to be back home. So thank you for the support that you've given to that initiative.

Mr. JONES. Great to hear that report. Thank you, Senator.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I just want to thank the whole panel, and add Mr. Jones's testimony to that. Thank you very much.

Chairman INOUE. Thank you very much.

May I thank the panel on behalf of the subcommittee.

Our next panel: Ms. Fran Visco, National Breast Cancer Coalition; Ms. Mary Hesdorffer, Mesothelioma Applied Research Foundation; Major General David Bockel, Reserve Officers Association; Captain Mike Smith, National Military and Veterans Alliance.

STATEMENT OF FRAN VISCO, PRESIDENT, NATIONAL BREAST CANCER FOUNDATION

Ms. VISCO. Thank you very much. Thank you, Chairman Inouye, Ranking Member Cochran, and Senator Shelby, for inviting me to testify today. I'm Fran Visco, a 23-year breast cancer survivor and President of the National Breast Cancer Coalition, which is a coalition of hundreds of organizations from across the country.

I also want to thank you so very much for launching and supporting the DOD peer-reviewed breast cancer research program. It's meant so much to women and men across the country, both within the military and without. You know that you created something innovative, something very special, that has saved lives, and it's given hope to very many.

But there are still too many women and men who die of breast cancer. Like you may remember Lieutenant Colonel Karen Moss of the U.S. Air Force, who spoke to the subcommittee many times about the importance of this program. Lieutenant Colonel Yvonne Andjeski of the U.S. Army, who died of breast cancer in her 30s while she was a director of the peer-reviewed program. And just yesterday, at a meeting of the DOD program we took a moment to remember Lieutenant Commander Yowanna Maria Collins Wilson of the U.S. Navy, who died of breast cancer in her 30s while on active duty.

The partnership that has developed over the years between the military, the public, and the scientists who are involved in this program is extremely important and helpful to all of us. I cannot say enough about the dedication and passion the military has brought to this program. The breast cancer research program is the only government program focused solely, funding program focused solely, on ending breast cancer. It is a program that leverages years of this Nation's investment in biomedical research and in breast

cancer and applies the results of that investment to women and men everywhere. It is known and respected worldwide and it expands this Nation's preeminence in scientific research.

Ninety percent of the funds appropriated go to research. The administrative costs of this program are minimal and that is because of the military and how well they operate this program. It is a transparent program. It's accountable to the taxpayers, and it is complementary and not duplicative of other programs.

Because of the way it is structured and because of the fact that it is in the Army, it is able to rapidly respond to scientific discoveries and quickly fill gaps in scientific and patient needs. I recall General Martinez Lopez, who led these efforts a number of years ago, telling us how important this program was to the military, not just because of the morale that it brought, but also because of the relationships that had been created between DOD and a part of the scientific community that is important to their work, but not typically engaged with the military, and also because of the models that the program created that have been replicated elsewhere within the military and actually even in other countries.

This program has been a resounding success, and I'm here to express our appreciation for your leadership in getting this program started and in making certain that it continues.

Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF FRAN VISCO

Thank you, Mr. Chairman and members of the Appropriations Subcommittee on Defense, for the opportunity to submit testimony today about a program that has made a significant difference in the lives of women and their families.

I am Fran Visco, a 22-year breast cancer survivor, a wife and mother, a lawyer, and President of the National Breast Cancer Coalition (NBCC). My testimony represents the hundreds of member organizations and thousands of individual members of the Coalition. NBCC is a grassroots organization dedicated to ending breast cancer through action and advocacy. Since its founding in 1991, NBCC has been guided by three primary goals: to increase Federal funding for breast cancer research and collaborate with the scientific community to implement new models of research; improve access to high quality healthcare and breast cancer clinical trials for all women; and expand the influence of breast cancer advocates wherever breast cancer decisions are made. Last September, in order to change the conversation about breast cancer and restore the sense of urgency in the fight to end the disease, NBCC launched Breast Cancer Deadline 2020®—a deadline to end breast cancer by January 1, 2020.

Chairman Inouye and Ranking Member Cochran, we appreciate your longstanding support for the Department of Defense peer reviewed Breast Cancer Research Program. As you know, this program was born from a powerful grassroots effort led by NBCC, and has become a unique partnership among consumers, scientists, Members of Congress and the military. You and your Committee have shown great determination and leadership in funding the Department of Defense (DOD) peer reviewed Breast Cancer Research Program (BCRP) at a level that has brought us closer to ending this disease. I am hopeful that you and your Committee will continue that determination and leadership.

I know you recognize the importance of this program to women and their families across the country, to the scientific and healthcare communities and to the Department of Defense. Much of the progress in the fight against breast cancer has been made possible by the Appropriations Committee's investment in breast cancer research through the DOD BCRP. To support this unprecedented progress moving forward, we ask that you support a separate \$150 million appropriation, level funding, for fiscal year 2012. In order to continue the success of the Program, you must ensure that it maintain its integrity and separate identity, in addition to level funding. This is important not just for breast cancer, but for all biomedical research that has benefited from this incredible government program.

Vision and Mission

The vision of the Department of Defense peer reviewed Breast Cancer Research Program is to “eradicate breast cancer by funding innovative, high-impact research through a partnership of scientists and consumers.” The meaningful and unprecedented partnership of scientists and consumers has been the foundation of this model program from the very beginning. It is important to understand this collaboration: consumers and scientists working side by side, asking the difficult questions, bringing the vision of the program to life, challenging researchers and the public to do what is needed and then overseeing the process every step of the way to make certain it works. This unique collaboration is successful: every year researchers submit proposals that reach the highest level asked of them by the program and every year we make progress for women and men everywhere.

And it owes its success to the dedication of the U.S. Army and their belief and support of this mission. And of course, to you. It is these integrated efforts that make this program unique.

The Department of the Army must be applauded for overseeing the DOD BCRP which has established itself as a model medical research program, respected throughout the cancer and broader medical community for its innovative, transparent and accountable approach. This program is incredibly streamlined. The flexibility of the program has allowed the Army to administer it with unparalleled efficiency and effectiveness. Because there is little bureaucracy, the program is able to respond quickly to what is currently happening in the research community. Its specific focus on breast cancer allows it to rapidly support innovative proposals that reflect the most recent discoveries in the field. It is responsive, not just to the scientific community, but also to the public. The pioneering research performed through the program and the unique vision it maintains has the potential to benefit not just breast cancer, but all cancers as well as other diseases. Biomedical research is literally being transformed by the DOD BCRP’s success.

Consumer Participation

Advocates bring a necessary perspective to the table, ensuring that the science funded by this program is not only meritorious, but that it is also meaningful and will make a difference in people’s lives. The consumer advocates bring accountability and transparency to the process. They are trained in science and advocacy and work with scientists willing to challenge the status quo to ensure that the science funded by the program fills important gaps not already being addressed by other funding agencies. Since 1992, more than 600 breast cancer survivors have served on the BCRP review panels.

Two years ago, Carolina Hinestrosa, a breast cancer survivor and trained consumer advocate, chaired the Integration Panel and led the charge in challenging BCRP investigators to think outside the box for revelations about how to eradicate breast cancer. Despite the fact that her own disease was progressing, she remained steadfast in working alongside scientists and consumers to move breast cancer research in new directions. Unwilling to give up, she fought tirelessly until the end of her life for a future free of breast cancer.

Carolina died in June 2009 from soft tissue sarcoma, a late side effect of the radiation that was used to treat her breast cancer. She once eloquently described the unique structure of the DOD BCRP:

“The Breast Cancer Research Program channels powerful synergy from the collaboration of the best and brightest in the scientific world with the primary stakeholder, the consumer, toward bold research efforts aimed at ending breast cancer.”

No one was bolder than Carolina, who was fierce and determined in her work on the DOD BCRP and in all aspects of life she led as a dedicated breast cancer advocate, mother to a beautiful daughter, and dear friend to so many. Carolina’s legacy reminds us that breast cancer is not just a struggle for scientists; it is a disease of the people. The consumers who sit alongside the scientists at the vision setting, peer review and programmatic review stages of the BCRP are there to ensure that no one forgets the women who have died from this disease, and the daughters they leave behind, and to keep the program focused on its vision.

For many consumers, participation in the program is “life changing” because of their ability to be involved in the process of finding answers to this disease. In the words of one advocate:

“Participating in the peer review and programmatic review has been an incredible experience. Working side by side with the scientists, challenging the status quo and sharing excitement about new research ideas . . . it is a breast cancer survivor’s opportunity to make a meaningful difference. I will be forever grateful to the advo-

cates who imagined this novel paradigm for research and continue to develop new approaches to eradicate breast cancer in my granddaughters' lifetime."——Marlene McCarthy, two-time breast cancer "thrivers", Rhode Island Breast Cancer Coalition

Scientists who participate in the Program agree that working with the advocates has changed the way they do science. Let me quote Greg Hannon, the fiscal year 2010 DOD BCRP Integration Panel Chair:

"The most important aspect of being a part of the BCRP, for me, has been the interaction with consumer advocates. They have currently affected the way that I think about breast cancer, but they have also impacted the way that I do science more generally. They are a constant reminder that our goal should be to impact people's lives."——Greg Hannon, PhD, Cold Spring Harbor Laboratory

Unique Structure

The DOD BCRP uses a two-tiered review process for proposal evaluation, with both steps including scientists as well as consumers. The first tier is scientific peer review in which proposals are weighed against established criteria for determining scientific merit. The second tier is programmatic review conducted by the Integration Panel (composed of scientists and consumers) that compares submissions across areas and recommends proposals for funding based on scientific merit, portfolio balance and relevance to program goals.

Scientific reviewers and other professionals participating in both the peer review and the programmatic review process are selected for their subject matter expertise. Consumer participants are recommended by an organization and chosen on the basis of their experience, training and recommendations.

The BCRP has the strictest conflict of interest policy of any research funding program or institute. This policy has served it well through the years. Its method for choosing peer and programmatic review panels has produced a model that has been replicated by funding entities around the world.

It is important to note that the Integration Panel that designs this Program has a strategic plan for how best to spend the funds appropriated. This plan is based on the state of the science—both what scientists and consumers know now and the gaps in our knowledge—as well as the needs of the public. While this plan is mission driven, and helps ensure that the science keeps to that mission of eradicating breast cancer in mind, it does not restrict scientific freedom, creativity or innovation. The Integration Panel carefully allocates these resources, but it does not predetermine the specific research areas to be addressed.

Distinctive Funding Opportunities

The DOD BCRP research portfolio includes many different types of projects, including support for innovative individuals and ideas, impact on translating research from the bench to the bedside, and training of breast cancer researchers.

Innovation

The Innovative Developmental and Exploratory Awards (IDEA) grants of the DOD program have been critical in the effort to respond to new discoveries and to encourage and support innovative, risk-taking research. Concept Awards support funding even earlier in the process of discovery. These grants have been instrumental in the development of promising breast cancer research by allowing scientists to explore beyond the realm of traditional research and unleash incredible new ideas. IDEA and Concept grants are uniquely designed to dramatically advance our knowledge in areas that offer the greatest potential. They are precisely the type of grants that rarely receive funding through more traditional programs such as the National Institutes of Health and private research programs. They therefore complement, and do not duplicate, other Federal funding programs. This is true of other DOD award mechanisms as well.

Innovator awards invest in world renowned, outstanding individuals rather than projects, by providing funding and freedom to pursue highly creative, potentially groundbreaking research that could ultimately accelerate the eradication of breast cancer. For example, in fiscal year 2008, Dr. Mauro Ferrari of the University of Texas Health Science Center at Houston was granted an Innovator Award to develop novel vectors for the optimal delivery of individualized breast cancer treatments. This is promising based on the astounding variability in breast cancer tumors and the challenges presented in determining which treatments will be most effective and how to deliver those treatments to each individual patient. In fiscal year 2006, Dr. Gertraud Maskarinec of the University of Hawaii received a synergistic IDEA grant to study effectiveness of the Dual Energy X-Ray Absorptiometry (DXA) as a method to evaluate breast cancer risks in women and young girls.

The Era of Hope Scholar Award supports the formation of the next generation of leaders in breast cancer research, by identifying the best and brightest scientists early in their careers and giving them the necessary resources to pursue a highly innovative vision of ending breast cancer. Dr. Shiladitya Sengupta from Brigham and Women's Hospital, Harvard Medical School, received a fiscal year 2006 Era of Hope Scholar Award to explore new strategies in the treatment of breast cancer that target both the tumor and the supporting network surrounding it. In fiscal year 2007, Dr. Gene Bidwell of the University of Mississippi Medical Center received an Era of Hope Postdoctoral Award to study thermally targeted delivery of inhibitor peptides, which is an underdeveloped strategy for cancer therapy.

One of the most promising outcomes of research funded by the DOD BCRP was the development of the first monoclonal antibody targeted therapy that prolongs the lives of women with a particularly aggressive type of advanced breast cancer. Researchers found that over-expression of HER-2/neu in breast cancer cells results in very aggressive biologic behavior. The same researchers demonstrated that an antibody directed against HER-2/neu could slow the growth of the cancer cells that over-expressed the gene. This research, which led to the development of the targeted therapy, was made possible in part by a DOD BCRP-funded infrastructure grant. Other researchers funded by the DOD BCRP are identifying similar targets that are involved in the initiation and progression of cancer.

These are just a few examples of innovative funding opportunities at the DOD BCRP that are filling gaps in breast cancer research.

Translational Research

The DOD BCRP also focuses on moving research from the bench to the bedside. DOD BCRP awards are designed to fill niches that are not addressed by other Federal agencies. The BCRP considers translational research to be the process by which the application of well-founded laboratory or other pre-clinical insight result in a clinical trial. To enhance this critical area of research, several research opportunities have been offered. Clinical Translational Research Awards have been awarded for investigator-initiated projects that involve a clinical trial within the lifetime of the award. The BCRP has expanded its emphasis on translational research by also offering five different types of awards that support work at the critical juncture between laboratory research and bedside applications.

The Multi Team Award mechanism brings together the world's most highly qualified individuals and institutions to address a major overarching question in breast cancer research that could make a significant contribution toward the eradication of breast cancer. Many of these Teams are working on questions that will translate into direct clinical applications. These Teams include the expertise of basic, epidemiology and clinical researchers, as well as consumer advocates.

Training

The DOD BCRP is also cognizant of the need to invest in tomorrow's breast cancer researchers. Dr. J. Chuck Harrell, Ph.D. at the University of Colorado, Denver and the University of North Carolina at Chapel Hill, for example, received a Predoctoral Traineeship Award to investigate hormonal regulation of lymph node metastasis, the majority of which retain estrogen receptors (ER) and/or progesterone receptors. Through his research, Dr. Harrell determined that lymph node micro-environment alters ER expression and function in the lymph nodes, effecting tumor growth. These findings led Dr. Harrell to conduct further research in the field of breast metastasis during his postdoctoral work. Jim Hongjun of the Battelle Memorial Institute received a postdoctoral award for the early detection of breast cancer using post-translationally modified biomarkers.

Dr. John Niederhuber, former Director of the National Cancer Institute (NCI), said the following about the Program when he was Director of the University of Wisconsin Comprehensive Cancer Center in April, 1999:

"Research projects at our institution funded by the Department of Defense are searching for new knowledge in many different fields including: identification of risk factors, investigating new therapies and their mechanism of action, developing new imaging techniques and the development of new models to study [breast cancer] . . . Continued availability of this money is critical for continued progress in the nation's battle against this deadly disease."

Scientists and consumers agree that it is vital that these grants continue to support breast cancer research. To sustain the Program's momentum, \$150 million for peer reviewed research is needed in fiscal year 2012.

Outcomes and Reviews of the DOD BCRP

The outcomes of the BCRP-funded research can be gauged, in part, by the number of publications, abstracts/presentations, and patents/licensures reported by awardees. To date, there have been more than 12,241 publications in scientific journals, more than 12,000 abstracts and nearly 550 patents/licensure applications. The American public can truly be proud of its investment in the DOD BCRP. Scientific achievements that are the direct result of the DOD BCRP grants are undoubtedly moving us closer to eradicating breast cancer.

The success of the DOD peer reviewed Breast Cancer Research Program has been illustrated by several unique assessments of the Program. The Institute of Medicine (IOM), which originally recommended the structure for the Program, independently re-examined the Program in a report published in 1997. They published another report on the Program in 2004. Their findings overwhelmingly encouraged the continuation of the Program and offered guidance for program implementation improvements.

The 1997 IOM review of the DOD peer reviewed Breast Cancer Research Program commended the Program, stating, “the Program fills a unique niche among public and private funding sources for cancer research. It is not duplicative of other programs and is a promising vehicle for forging new ideas and scientific breakthroughs in the Nation’s fight against breast cancer.” The 2004 report spoke to the importance of the program and the need for its continuation.

The DOD peer reviewed Breast Cancer Research Program not only provides a funding mechanism for high-risk, high-return research, but also reports the results of this research to the American people every 2 to 3 years at a public meeting called the Era of Hope. The 1997 meeting was the first time a federally funded program reported back to the public in detail not only on the funds used, but also on the research undertaken, the knowledge gained from that research and future directions to be pursued.

Sixteen hundred consumers and researchers met for the fifth Era of Hope meeting in June, 2008. As MSNBC.com’s Bob Bazell wrote, this meeting “brought together many of the most committed breast cancer activists with some of the Nation’s top cancer scientists. The conference’s directive is to push researchers to think ‘out of the box’ for potential treatments, methods of detection and prevention . . .” He went on to say “the program . . . has racked up some impressive accomplishments in high-risk research projects . . .”

One of the topics reported on at the meeting was the development of more effective breast imaging methods. An example of the important work that is coming out of the DOD BCRP includes a new screening method, molecular breast imaging, which helps detect breast cancer in women with dense breasts—which can be difficult using a mammogram alone. I invite you to log on to NBCC’s website <http://influence.breastcancerdeadline2020.org/> to learn more about the exciting research reported at the 2008 Era of Hope. The next Era of Hope meeting will occur this August.

The DOD peer reviewed Breast Cancer Research Program has attracted scientists across a broad spectrum of disciplines, launched new mechanisms for research and facilitated new thinking in breast cancer research and research in general. A report on all research that has been funded through the DOD BCRP is available to the public. Individuals can go to the Department of Defense website and look at the abstracts for each proposal at <http://cdmnp.army.mil/berp/>.

Commitment of the National Breast Cancer Coalition

The National Breast Cancer Coalition is strongly committed to the DOD BCRP in every aspect, as we truly believe it is one of our best chances for reaching Breast Cancer Deadline 2020®’s goal of ending the disease by the end of the decade. The Coalition and its members are dedicated to working with you to ensure the continuation of funding for this Program at a level that allows this research to forge ahead. From 1992, with the launch of our “300 Million More Campaign” that formed the basis of this Program, until now, NBCC advocates have appreciated your support.

Over the years, our members have shown their continuing support for this Program through petition campaigns, collecting more than 2.6 million signatures, and through their advocacy on an almost daily basis around the country asking for support of the DOD BCRP.

Consumer advocates have worked hard over the years to keep this program free of political influence. Often, specific institutions or disgruntled scientists try to change the program through legislation, pushing for funding for their specific research or institution, or try to change the program in other ways, because they did not receive funding through the process, one that is fair, transparent and successful. The DOD BCRP has been successful for so many years because of the experience

and expertise of consumer involvement, and because of the unique peer review and programmatic structure of the program. We urge this Committee to protect the integrity of the important model this program has become.

There are nearly 3 million women living with breast cancer in this country today. This year, more than 40,000 will die of the disease and more than 260,000 will be diagnosed. We still do not know how to prevent breast cancer, how to diagnose it in a way to make a real difference or how to cure it. It is an incredibly complex disease. We simply cannot afford to walk away from this program.

Since the very beginning of this Program in 1992, Congress has stood with us in support of this important approach in the fight against breast cancer. In the years since, Chairman Inouye and Ranking Member Cochran, you and this entire Committee have been leaders in the effort to continue this innovative investment in breast cancer research.

NBCC asks you, the Defense Appropriations Subcommittee, to recognize the importance of what has been initiated by the Appropriations Committee. You have set in motion an innovative and highly efficient approach to fighting the breast cancer epidemic. We ask you now to continue your leadership and fund the Program at \$150 million and maintain its integrity. This is research that will help us win this very real and devastating war against a cruel enemy.

Thank you again for the opportunity to submit testimony and for giving hope to all women and their families, and especially to the nearly 3 million women in the United States living with breast cancer and all those who share in the mission to end breast cancer.

Chairman INOUE. I thank you very much, Ms. Visco. My wife of 57 years died of cancer, so I'm constantly reminded.

Ms. VISCO. Yes.

Chairman INOUE. Senator Cochran.

Senator COCHRAN. Thank you very much for your presence. We appreciate the information that you've provided to the subcommittee.

Ms. VISCO. You're welcome.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I appreciate the testimony and her commitment to finding a cure. We all are supporting this on the subcommittee.

Mr. Chairman, I would be interested—and the subcommittee may have done some work in this, because we all support this because this is the right thing to do, connected to our service people, we all benefit. What connection and how does this correlate with, what we're doing in DOD, to what they're doing in NIH? Because I serve on that subcommittee, as all of you do, and that would be interesting, to make sure that we're spending all we can and getting the bang that we can with the taxpayers' money and make sure that there's not a lot of overlap there.

I don't know this, but as an appropriator with all of us—and you're the chair—we're going to have to look at this, because we're all committed to helping you.

Ms. VISCO. Yes. Actually, Senator, the program is structured in a way to make certain that there is no overlap. I know that members of the military have been and are perfectly willing and capable of briefing you on exactly how that works.

Senator SHELBY. Thank you.

Ms. VISCO. Thank you.

Chairman INOUE. Thank you very much.

Ms. Hesdorffer.

**STATEMENT OF MARY HESDORFFER, MS, CRNP, MEDICAL LIAISON,
MESOTHELIOMA APPLIED RESEARCH FOUNDATION**

Ms. HESDORFFER. Thank you, Chairman Inouye and Ranking Member Cochran and members of the subcommittee. Thank you for the opportunity to discuss mesothelioma and its connection to the military service. Your support is critical to our mission and I look forward to continuing our relationship with the committee.

My name is Mary Hesdorffer. I'm a nurse practitioner with over a decade's experience in mesothelioma treatment and research, and I serve as the medical liaison to the Mesothelioma Applied Research Foundation, as well as being on staff at Johns Hopkins Medical Institution.

The Mesothelioma Applied Research Foundation is a national nonprofit dedicated to eradicating mesothelioma as a life-ending disease by funding research, providing education and support for patients, and leading advocacy for the national commitment to end this tragedy.

Mesothelioma, as many of you know, is an aggressive cancer. It's directly caused by asbestos. It's one of the most painful and fatal of cancers. It invades the chest, destroys vital organs, and crushes the lungs. Long-term survivors of mesothelioma are described as 3-year survivors, so you know the seriousness of what we are facing.

It disproportionately affects our service men and women and their families. As you may know, until its fatal toxicity became fully recognized it was considered a magic mineral. It was used extensively in the Navy right up until the 1970s. It was used in engines, nuclear reactors, conditioners, packing, brakes, clutches, winches. In fact, it was used all over Navy ships, even in living spaces, where pipes were overhead, and in kitchens, where asbestos was used in the ovens. It was used in wiring of appliances. Aside from the Navy ships, it was used on military planes extensively, on military vehicles, insulating materials on quonset huts, and in living quarters.

As a result, millions of Navy—millions of defense personnel, servicemen and shipyard workers, have been exposed to asbestos. A study at a Groton, Connecticut, shipyard found that over 100,000 workers have been exposed to asbestos over the years at just this one shipyard.

Following the time of exposure, the disease can manifest itself any time from 10 to 50 years. So we still have many, many, many patients who were diagnosed or who were exposed to asbestos in the 70s who will still be developing this disease in future years.

As the daughter of a merchant marine and the mother of a veteran of the war in Iraq, it's an issue that's very close to my heart. These are the people who have defended our country and built its fleet. They're heroes like former Chief Naval Officer Admiral Elmo Zumwalt, who led the Navy during Vietnam. He was diagnosed in the year 2000 and just 3 months after his diagnosis he was dead from this disease.

Lewis Deets was another one of our Navy veterans. He was serving on a ship where a fire broke out. He was exposed to asbestos during the burning and then he was also exposed as he replaced the burned asbestos blocks. In 1999 he was diagnosed with mesothelioma and died 4 months later at the age of 55.

Bob Tregget, another retired sailor, was diagnosed in 2008. He was exposed as a sailor.

I can go on and talk to you about all of these military personnel, but I think we all understand the connection between asbestos and this disease.

Since 1992 the Department of Defense has been charged with promoting research on diseases related to military service. Since then it has funded over \$5.4 billion for a range of diseases, some only tangentially related to military service, but overlooked mesothelioma research for 16 years, even though asbestos was used all over military installations and vehicles, especially Navy ships. This is an injustice to the estimated one-third of mesothelioma patients who were exposed to asbestos on U.S. Navy ships and shipyards.

Currently there are about 3,500 patients a year diagnosed with mesothelioma and 3,000 patients a year die from the disease. If we look at one-third of the patients having been Navy vets, we're looking at about 1,000 patients a year of former people who were exposed on the Navy ships.

In fiscal year 2009 the DOD took responsibility more seriously and made awards totaling \$2.7 million for two mesothelioma projects. In January of this year, we had two people awarded technology development awards. We have many people applying for the awards, but we're giving less than 2.6 percent of these awards out.

We feel that all of these research areas warrant attention, but since mesothelioma is a rapidly fatal, excruciating and painful cancer, we ask the subcommittee to appropriate to DOD for fiscal year 2012 \$5 million for a dedicated mesothelioma research program. I'm asking for your help. We can't do this alone.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF MARY HESDORFFER

Chairman Inouye, Ranking Member Cochran, and Members of the Committee, thank you for the opportunity to discuss the Mesothelioma connection to military service. Your support is critical to our mission, and I look forward to continuing our relationship with this committee.

My name is Mary Hesdorffer, I am a nurse practitioner with over a decade's experience in mesothelioma treatment and research, and serve as the Medical Liaison to the Mesothelioma Applied Research Foundation. The Mesothelioma Applied Research Foundation is the national nonprofit dedicated to eradicating mesothelioma as a life-ending disease by funding research, providing education and support for patients, and leading advocacy efforts for a national commitment to end the mesothelioma tragedy.

Mesothelioma is an aggressive cancer caused by asbestos. It is among the most painful and fatal of cancers, as it invades the chest, destroys vital organs, and crushes the lungs. Mesothelioma disproportionately affects our service men and women and their families.

As you may know, until its fatal toxicity became fully recognized, asbestos was regarded as the magic mineral. It has excellent fireproofing, insulating, filling and bonding properties. By the late 1930's and through at least the late 70's the Navy was using it extensively. It was used in engines, nuclear reactors, decking materials, pipe covering, hull insulation, valves, pumps, gaskets, boilers, distillers, evaporators, conditioners, rope packing, and brakes and clutches on winches. In fact it was used all over Navy ships, even in living spaces where pipes were overhead and in kitchens where asbestos was used in ovens and in the wiring of appliances. Aside from Navy ships, asbestos was also used on military planes extensively, on military vehicles, and as insulating material on Quonset huts and living quarters.

As a result, millions of military defense personnel, servicemen and shipyard workers, were heavily exposed. A study at the Groton, Connecticut shipyard found that over 100,000 workers had been exposed to asbestos over the years at just one ship-

yard. The disease takes 10 to 50 years to develop, so many of these veterans and workers are now being diagnosed. As the daughter of a merchant marine and the mother of a veteran of the war in Iraq, this is an issue close to my heart.

These are the people who defended our country and built its fleet. They are heroes like former Chief Naval Officer Admiral Elmo Zumwalt, Jr., who led the Navy during Vietnam and was renowned for his concern for enlisted men. Despite his rank, prestige, power, and leadership in protecting the health of Navy servicemen and veterans, Admiral Zumwalt died at Duke University in 2000, just 3 months after being diagnosed with mesothelioma.

Lewis Deets was another of these heroes. Four days after turning the legal age of 18, Lewis joined the Navy. He was not drafted. He volunteered, willingly putting his life on the line to serve his country in Vietnam. He served in the war for over 4 years, from 1962 to 1967, as a ship boilerman. For his valiance in combat operations against the guerilla forces in Vietnam he received a Letter of Commendation and The Navy Unit Commendation Ribbon for Exceptional Service. In December 1965, while Lewis was serving aboard the USS *Kitty Hawk* in the Gulf of Tonkin, a fierce fire broke out. The boilers, filled with asbestos, were burning. Two sailors were killed and 29 were injured. Lewis was one of the 29 injured; he suffered smoke inhalation while fighting the fire. After the fire, he helped rebuild the boilers, replacing the burned asbestos blocks. In 1999 he was diagnosed with mesothelioma, and died 4 months later at age 55.

Bob Tregget was a 57 year old retired sailor who was diagnosed with mesothelioma in 2008. Bob was exposed to asbestos as a sailor in the U.S. Navy from 1965 to 1972, proud to serve his country aboard a nuclear submarine whose mission was to deter a nuclear attack upon the United States. To treat his disease, Bob had the state of the art treatment. He had 3 months of systemic chemotherapy with a new, and quite toxic, drug combination. Then he had a grueling surgery, to open up his chest, remove his sixth rib, amputate his right lung, remove the diaphragm and parts of the linings around his lungs and his heart. After 2 weeks of postoperative hospitalization to recover and still with substantial postoperative pain, he had radiation, which left him with second degree burns on his back, in his mouth, and in his airways. Less than 1 year later, in 2009, he lost his battle with Mesothelioma.

Admiral Zumwalt's, BoILERMAN Deets' and Sailor Tregget's stories are not atypical. Many more meso patients were exposed in the Navy, or working in a shipyard. Almost 3,000 Americans die each year of meso, and one study found that one-third of patients were exposed on U.S. Navy ships or shipyards. That's 1,000 U.S. veterans and shipyard workers per year, lost through service to country, just as if they had been on a battlefield.

I am currently working with Mike Clements, who was diagnosed with Mesothelioma in 2005 at the age of 59. Mike served in active duty for 6 years, at which time he worked in 3 different shipyards and spent time on a submarine. While he cannot pinpoint this exposure to asbestos, he is certain there is a correlation between his service and diagnosis. Further, he lost his father to Mesothelioma, who was also a Navy veteran.

Asbestos exposure among naval personnel was widespread from the 1930s through the 1980s, and exposure to asbestos still occurred after the 1980s during ship repair, overhaul, and decommissioning. We have not yet seen the end of exposures to asbestos. Asbestos exposures have been reported among the troops in Iraq and Afghanistan. On July 14, 2004, members of the 877th Engineer Battalion of Alabama's Army National Guard were exposed to asbestos in their camp in Mosul, Iraq. Soldiers in wars that extend into third world countries, where asbestos use is increasing without stringent regulations, may also be at risk for exposure during tours of duty. Even low-dose, incidental exposures cause mesothelioma. For all those who will develop mesothelioma as a result of these past or ongoing exposures, the only hope is that we will develop effective treatment.

Since 1992, the Department of Defense (DOD) has been charged with promoting research on diseases related to military service. Since then it has funded over \$5.4 billion for a range of diseases—some only tangentially related to military service, but overlooked mesothelioma research for 16 years even though asbestos was used all over military installations and vehicles, especially Navy ships. This is an injustice to the estimated one-third of mesothelioma patients were exposed to asbestos on U.S. Navy ships and shipyards.

There are brilliant researchers are dedicated to mesothelioma. The Food and Drug Administration (FDA) has now approved one drug which has some effectiveness, proving that the tumor is not invincible. Biomarkers are being identified. Two of the most exciting areas in cancer research—gene therapy and biomarker discovery for early detection and treatment—look particularly promising in mesothelioma. The Meso Foundation has funded \$7.1 million to support research in these and other

areas. Now we need the Federal Government's partnership to develop the promising findings into effective treatments.

Your subcommittee has recognized the need and taken the lead. For the past 3 years a budget has been passed (fiscal years 2008, 2009 and 2010), you have directed DOD to spur research for this service-related cancer by including it as an area of emphasis in the Peer Reviewed Medical Research Program.

As a result, in early 2008 the DOD awarded its first mesothelioma research grant ever, a \$1.4 million award to Courtney Broaddus, M.D. for exciting work to understand the role of macrophage induced inflammation in mesothelioma.

The mesothelioma community greatly appreciated this important first step. Thirty-eight mesothelioma researchers applied for support in 2008. The single award represents only a 2.6 percent success rate for mesothelioma applications. This does not comply with the Senate's directive that DOD begin to seriously address this critical disease. Thirty-seven other researchers put in the time, effort and expense to gather preliminary data and apply, and then were rejected. Such a low success rate of 2.6 percent will discourage top researchers from interest in mesothelioma; they will direct their effort and expertise into other, better funded cancers. Mesothelioma research will not advance, effective treatments will not be found, and veterans and current members exposed to asbestos through their military service will be left without hope.

In fiscal year 2009, the DOD took its responsibility more seriously, and made awards totaling \$2,750,549 for two important mesothelioma projects: Harvey Pass, M.D. and Margaret E. Huflejt, Ph.D. to investigate new markers for early detection of mesothelioma and identify new therapeutic targets. Lee Krug, M.D. received an award to lead a multi-site clinical trial of a promising new therapy based on the WT-1 vaccine, which will directly impact patients and offers them new hope. For the 2009 grants, two mesothelioma projects were awarded, out of 56 applications submitted. This is slightly better, but still an awards-to-applications ratio of only 4 percent.

In January of this year, Michel Sadelain, M.D., Ph.D., and Prasad Adusumilli, M.D. were awarded a \$2.6 million Technology/Therapeutic Development Award to translate mesothelin-targeted immunotherapy for fiscal year 2010. This is a reduction of \$150,000 from fiscal year 2009 funding levels for mesothelioma.

Such low success rates will not encourage top young researchers to move into mesothelioma, or experienced researchers to stay in meso. Rather than mere eligibility, mesothelioma needs to be one of the diseases that is assigned a specific appropriation.

Since the Committee's intent to spur mesothelioma research is not being executed through the PRMRP, we believe the Committee must respond by directing DOD to establish a dedicated mesothelioma program. For 2009, Congress added dedicated funding for all of the following as new programs, in addition to the DOD's existing programs for Breast Cancer, Prostate Cancer, Ovarian Cancer, Neurofibromatosis, Tuberous Sclerosis Complex, and the Peer Reviewed Medical Research Program:

- Autism Research Program—\$8 million;
- Gulf War Illness Research Program—\$8 million;
- Amyotrophic Lateral Sclerosis Research Program—\$5 million;
- Bone Marrow Failure Research Program—\$5 million;
- Multiple Sclerosis Research Program—\$5 million;
- Peer Reviewed Lung Cancer Research Program—\$20 million; and
- Peer Reviewed Cancer Research Program—\$16 million.

The Peer Reviewed Cancer Research Program funds are restricted as follows: \$4 million for research of melanoma and other skin cancers as related to deployments of service members to areas of high exposure; \$2 million for research of pediatric brain tumors within the field of childhood cancer research; \$8 million for genetic cancer research and its relation to exposure to the various environments that are unique to a military lifestyle; and \$2 million for non-invasive cancer ablation research into non-invasive cancer treatment including selective targeting with nanoparticles.

In 2010, Congress added dedicated funding for the following as new programs:

- Chiropractic Clinical Trial—\$8.2 million; and
- Defense Medical Research and Development \$275 million.

All of these research areas warrant attention, but mesothelioma is a rapidly fatal, excruciatingly painful cancer directly related to military service. We ask the Committee to appropriate to DOD for fiscal year 2012 \$5 million for a dedicated Mesothelioma Research Program or as a specific restriction within the Peer Reviewed Cancer Research Program. This will boost the long-neglected field of mesothelioma research, enabling mesothelioma researchers to build a better understanding of the

disease and develop effective treatments. This will translate directly to saving lives and reducing suffering of veterans battling mesothelioma.

We look to the Senate Defense Appropriations Subcommittee to provide continued leadership and hope to the servicemen and women and veterans who develop this cancer after serving our Nation. Thank you for the opportunity to provide testimony before the Subcommittee and we hope that we can work together to develop life-saving treatments for mesothelioma. We thank you for considering our fiscal year 2012 request for \$5 million for Mesothelioma research.

Chairman INOUE. Thank you very much, Ms. Hesdorffer.

Senator Cochran.

Senator COCHRAN. Thank you very much. I think your testimony has added to our understanding of how devastating some of these physical problems and life and death issues are, particularly for those of us who served in the Navy. As you were reciting that list of names, I couldn't help but remember my service in the Navy aboard a ship out of Boston, Massachusetts—a wonderful opportunity for me, growing up in the Deep South, to get to know about things around the world that I would have never been exposed to. But to find out I was also exposed to some of these life-threatening situations brings to me the realization of how lucky so many of us are who have led healthy lives in spite of the fact that we've been exposed to these dangerous situations.

But I think we have a definite obligation to do everything we can to try to save lives now and improve the quality of life of those who have been more unfortunate than I was.

Ms. HESDORFFER. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

I appreciate your testimony here. We know this is a horrible situation. I've known people—I had a former congressional colleague of mine from Alabama who worked one summer, who's dead now, as an asbestos worker, because it was a great insulator, as you point out. They didn't know then or, if they knew, the workers didn't know what danger they were playing with.

I guess my question—we know that a lot of this lies dormant for years and years and years. I guess we've all been exposed, but some to more degree than others, to a lot of this and didn't even know it. We used to—oh, gosh, all over America we used to have asbestos siding on homes, asbestos everywhere, because it was, as you pointed out, the so-called perfect mineral for insulation. It had great qualities, but a big danger.

What is the real danger today of our troops as they are in harm's way, posted everywhere in the world? Is it third world countries using asbestos because it's there and it's available and maybe they don't appreciate the danger to it?

Ms. HESDORFFER. Well, I think part of the problem is life is cheap, it's expendable. Canada is still mining asbestos and still exporting it. So we have India, we have so many patients are dying of mesothelioma, probably before they're diagnosed because it's mistaken often for tuberculosis.

Our troops have been exposed in Afghanistan, Iraq, in many of the third world countries. An epidemic now is occurring in Japan, because Japan probably has used asbestos now for a number of years, where they're just beginning to see diagnosed cases.

Senator SHELBY. Are they still using—a lot of countries in the world, like you mentioned Japan, are they still using asbestos because of the properties of a great insulator?

Ms. HESDORFFER. Yes.

Senator SHELBY. Irrespective of the danger?

Senator SHELBY. Slumdog Millionaire, if you look at that movie and you saw those huts that those children were running over, those were asbestos huts. Those roofs were all made of asbestos. We're using it as a fire retardant in many countries.

Senator SHELBY. My last question: Briefly, tell us what drug, pharmaceutical breakthroughs, other things, methods of treatment, either help alleviate some of the problems, or is that just too far away?

Ms. HESDORFFER. Well, I'd like to just briefly—we had Olympta was approved in 2004. Prior to that, there was no approved agent. Patients who get Olympta now—without treatment, the life expectancy is 9.2 months. With Olympta, the life expectancy is 12.3 months. Surgery where—

Senator SHELBY. It's a killer, period.

Ms. HESDORFFER. It's a uniformly fatal disease. That's how every research article starts out.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Ms. HESDORFFER. Thank you.

Chairman INOUE. Major General Bockel.

STATEMENT OF MAJOR GENERAL DAVID BOCKEL, UNITED STATES ARMY (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION

General BOCKEL. Mr. Chairman, Mr. Vice Chairman, Senator Shelby: The Reserve Officers Association thanks you for the invitation to appear and give testimony. I'm Major General David Bockel, Executive Director of the Reserve Officers Association. I'm also authorized to speak in behalf of the Reserve Enlisted Association.

As both the Congress and the Pentagon are looking at reducing defense expenses, ROA finds itself again confronted with protecting one of America's greatest assets, the reserve components. The National Guard and the other Reserve components are proud members of the total force who fully understand their duty and are proudly serving operationally. Not only have they contributed to the war effort, but they have made a difference in maintaining an all-volunteer military force and providing the active force more time at home.

Yet, as discussions occur in both Congress and the Pentagon on how to reduce the budget and the deficit, the peril of lower defense spending is that the Reserve components will become the billpayer. As seen in the past, the risk exists where defense planners may be tempted to put the National Guard and title 10 reserve on the shelf by providing them hand-me-down outmoded equipment and underfunded training.

With over 800,000 Guard and Reserve members having been mobilized, this Nation has a generation of warfighters who have the knowledge and experience that hasn't existed in the Reserve component since the end of the Vietnam war. Almost every officer and

enlisted leader is a combat-tested veteran. To waste this capability is a poor return on the investment of money already spent. Only by establishing parity in training, equipment, pay, and compensation will permit us to keep them available for use as an enduring operational force.

ROA and REA's written testimony includes a list of unfunded requirements that we hope this subcommittee will fund, but we also urge the subcommittee to specifically identify funding for both the National Guard and other Reserve components exclusively to train and equip the Reserve components by providing funds for the National Guard and Reserve equipment appropriation. Dedicating funds to Guard and Reserve equipment provides Reserve chiefs and National Guard directors with the flexibility of prioritizing their funding.

But some in the active component would cut National Guard and Reserve pay for the active duty, undermining the concept of the total force. Some would have you believe that the National Guard and Reserve are more expensive to maintain than the active duty forces. However, when citizen warriors are recalled for an extended period the cost is about the same as for an active duty member. It's the lower overhead in the years when the National Guard and Reserve member is not on active duty that provides the economy. The citizen warrior cost over a life cycle is far less than the cost of an active component warfighter.

Additional cost savings are found when civilian knowledge and proficiencies can be called upon at no cost to the military for training. DOD officials have admitted that many Reserve component members are working in state-of-the-art industries as civilian employees, an asset that the Pentagon can't match.

Another concern ROA and REA share is legal support for veterans and Guard and Reserve members returning from deployment to face ever-increasing challenges of reemployment. On June 1, 2009, ROA established the Servicemembers Law Center. This is a service to provide active, Guard, and Reserve, as well as separated veterans. The center is averaging over 5,000 inquiries a year, with the majority of them about employment and reemployment rights.

This is a no-fee service and it does not provide legal representation. But such a service does cost money. Currently, through ROA's financial support it allows this center to be a one-man shop. Our vision is to grow this, to increase the staff and services provided to our veteran and Reserve component community, which will take additional funding.

ROA would love to meet with your staff to discuss how this subcommittee can provide monetary support, and it appears that the language may be included in the Senate NDAA that would provide an authorizing source for such funding.

Another concern that I personally have been working for is on the treatment for the victims of traumatic brain injury. Anecdotal evidence of hyperbaric oxygen therapy as well as other alternative treatments have shown significant success and needs to be better funded.

Thank you again for your consideration of our testimony. I'm available to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL DAVID BOCKEL

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our Nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: ". . . support and promote the development and execution of a military policy for the United States that will provide adequate National Security."

The Association's 65,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security.

The Reserve Enlisted Association is an advocate for the enlisted men and women of the United States Military Reserve Components in support of National Security and Homeland Defense, with emphasis on the readiness, training, and quality of life issues affecting their welfare and that of their families and survivors. REA is the only Joint Reserve association representing enlisted reservists—all ranks from all five branches of the military.

PRIORITIES

CY 2011 Legislative Priorities are:

- Recapitalize the Total force to include fully funding equipment and training for the National Guard and Reserves.
- Ensure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.
- Provide adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.
- Support citizen warriors, families and survivors.

Issues to help fund, equip, and train

Advocate for adequate funding to maintain National Defense during times of war and peace.

Regenerate the Reserve Components (RC) with field compatible equipment.

Improve and implement adequate tracking processes on Guard and Reserve appropriations and borrowed Reserve Component equipment needing to be returned or replaced.

Fully fund Military Pay Appropriation to guarantee a minimum of 48 drills and 2 weeks training.

Sustain authorization and appropriation to National Guard and Reserve Equipment Account (NGREA) to permit flexibility for Reserve Chiefs in support of mission and readiness needs.

Optimize funding for additional training, preparation and operational support.

Keep Active and Reserve personnel and Operation and Maintenance funding separate.

Issues to assist recruiting and retention

Support continued incentives for affiliation, reenlistment, retention and continuation in the Reserve Component.

Pay and Compensation

Simplify the Reserve duty order system without compromising drill compensation.

Offer Professional pay for Reserve Component medical professionals, consistent with the Active Component's pay.

Eliminate the one-thirtieth rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.

Education

Continue funding the GI Bill for the 21st Century.

Health Care

Provide Medical and Dental Readiness through subsidized preventive healthcare.

Extend military coverage for restorative dental care for up to 90 days following deployment.

Spouse Support

Repeal the Survivor Benefits Plan—Dependency Indemnity Clause (DIC) offset.

NATIONAL GUARD AND RESERVE EQUIPMENT ACCOUNTS

It is important to maintain separate equipment and personnel accounts to allow Reserve Component Chiefs the ability to direct dollars to vital needs.

Key Issues facing the Armed Forces concerning equipment:

- Developing the best equipment for troops fighting in overseas contingency operations.
- Procuring new equipment for all U.S. Forces.
- Modernize by upgrading the equipment already in the inventory.
- Replacing the equipment deployed from the homeland to the war.
- Making sure new and renewed equipment gets into the right hands, including the Reserve Component.

Reserve Component Equipping Sources:

- Procurement.
- Cascading of equipment from Active Component.
- Cross-leveling.
- Recapitalization and overhaul of legacy (old) equipment.
- Congressional add-ons.
- National Guard and Reserve Appropriations (NGREA).
- Supplemental appropriation, such as OCO funding.

NATIONAL GUARD AND RESERVE EQUIPMENT APPROPRIATION

Once a strategic force, the Reserve Components are now also being employed as an operational asset; stressing an ever greater need for procurement flexibility as provided by the National Guard and Reserve Equipment Appropriations (NGREA). Much-needed items not funded by the respective service budget are frequently purchased through NGREA. In some cases, it is used to procure unit equipment to match a state of modernizations that aligns with the battlefield.

The Reserve and Guard are faced with the ongoing challenges of how to replace worn out equipment, equipment lost due to combat operations, legacy equipment that is becoming irrelevant or obsolete, and, in general, replacing what is lost in combat, or aged through the abnormal wear and tear of deployment. The Reserve Components benefit greatly from a National Military Resource Strategy that includes a National Guard and Reserve Equipment Appropriation.

Congress has provided funding for the NGREA for over 30 years. At times, this funding has made the difference in a unit's abilities to carry out vital missions.

ROA thanks Congress for approving \$850 million for NGREA for fiscal year 2011, but more dollars continue to be needed. ROA urges Congress to appropriate into NGREA an amount that is proportional to the missions being performed, which will enable the Reserve Component to meet its readiness requirements.

End Strength

The ROA would like to place a moratorium on any potential reductions to the Guard and Reserve manning levels. Manpower numbers need to include not only deployable assets, but individuals in the accession pipeline. ROA urges this subcommittee to fund the support of:

- Army National Guard of the United States, 358,200.
- Army Reserve, 206,000.
- Navy Reserve, 66,200.
- Marine Corps Reserve, 39,600.
- Air National Guard of the United States, 106,700.
- Air Force Reserve, 71,400.
- Coast Guard Reserve, 10,000.

In a time of war and force rebalancing, it is wrong to make cuts to the end strength of the Reserve Components. We need to pause to permit force planning and strategy to catch-up with budget reductions.

NONFUNDED ARMY RESERVE COMPONENT EQUIPMENT

While General Martin E. Dempsey, U.S. Army Chief of Staff, has said that the Army is not going forward with any unfunded requirements in his letter to Congress, this is not the case for the Army Reserve or the Army National Guard.

Army Reserve (USAR) Unfunded Requirements

While the Army Reserve has 80 percent of its equipment on-hand, only 65 percent of it modernized. Further, the USAR remains short in several areas of critical equip-

ment. Around 35 percent of its required equipment lines are at less than 65 percent on hand. A percentage of the USAR equipment is deployed.

An enduring operational force cannot be fully effective if it is underfunded and has to borrow personnel and equipment from one unit to shore up another to meet mission requirements. Currently in the basic budget, the USAR is funded at strategic levels rather than for its operational contributions.

Top USAR Equipping Challenges of an Operational Reserve:

- Equip USAR formations to optimal operational levels for full spectrum operations.
- Maintain USAR equipment at the Army standard of 90 percent fully mission capable.
- Increase equipment modernization in an era of decreasing resources.
- Increase facility and manpower capabilities to sustain modernized and emerging equipment.
- Modernize the Army Reserve Tactical Wheeled Vehicle (TWV) fleet.
- Increase Resourcing for logistics automation technology required refresh.
- Increase Funding for state-of-the-art maintenance facilities.
- Gain full transparency for equipment procurement through unit level receipt.

(Dollars in millions)

	Amount
Ground Vehicles:	
Heavy Expanded Mobility Tactical Truck (HEMTT-LET), 1086 req'd	\$161
Rough Terrain Container Handler, 215 req'd	192
Truck, Forklift, ATLAS, 71 req'd	11.8
Tractor Line Haul M915, 169 req'd	29
HEMTT Common Bridge Transporter, M1977, 69 req'd	15.4
Command Post of the Future (CPOF), 49 req'd	16
Soldier Weapons	15.7
Machine Gun, 7.62 mm, M240B, req'd 1,000.	
Carbine, 5.56 mm, M4, req'd 3,233 \$1,329 20,058 23,291.	
Machine Gun, Grenade, 40 mm, MK19 MOD III.	
Helicopter, Utility, UH-60L, 8 req'd	38.4
Power Plants and Generators:	
100KW Distribution System, 1,062 req'd	15.5
Power Plant, 5kW, TM, AN/MJQ-35, 250 req'd	11.6
Generator Set, 10kW, MEP-803A TQG, 445 req'd	6.4
Generator Set, 10kW, PU-798 TQG, 242	6.2

Simulators.—The use of simulations and simulators minimizes turbulence for USAR Soldiers and their families caused by training demands during the first 2 years of the ARFORGEN process by enabling individuals and units to train at their home station and during exercises in a safe environment without the increased wear and tear on equipment.

Army National Guard (ARNG) Unfunded Equipment Requirements

Even though Congress has provided \$37 billion in equipment to the Army National Guard (ARNG) in the past 6 years, the on-hand percentage for all equipment is currently at 92 percent, there is a need for modernization and restoration. The Army National Guard provides more than 40 percent of the Army's rotary wing assets. With the increased optemp there is an increase in need for aircraft modernization. Required land force maintenance results in shortages as the ARN does not have a quantity of selected end-items authorized for use by units as immediate replacements when critical equipment is sent to depots for repair.

Top ARNG Equipping Challenges:

- Improve interoperability with AC forces.
- Equip units for pre-mobilization training and deployment.
- Equip units for their Homeland Missions.
- Modernize ARNG helicopter fleet.
- Modernize ARNG Tactical Wheeled Vehicle (TWV) fleet.

(Dollars in millions)

	Amount
Ground Transportation:	
Light, Med, and Heavy Tactical Trailers, 6,675 req'd	\$200
Armored Security Vehicle (ASV), M1117	91

[Dollars in millions]

	Amount
Bradley Fighting Vehicle, Infantry, M2A2, 95 req'd	123
HMMWV Shelter Carrier, Heavy, M1097, 707 req'd	43.6
Aviation:	
Helicopter, Utility, UH-60L, 30 req'd	145.7
Light Utility Helicopter, UH-72A, 44 req'd	171.6
Helicopter, Cargo CH-47F, 3 req'd	90
Medical Field Systems, 2,249 req'd	11

The Assistant Secretary of the Army (Acquisitions, Logistics & Technology) recently directed the Program Executive Office—Aviation to divest the C-23 Sherpa aircraft not later than December 31, 2014 as the Army had decided that it shouldn't be in the fixed wing business. Yet these aircraft are needed in the ARNG because the assets would be utilized in state missions, if not Federal.

AIR FORCE RESERVE COMPONENTS EQUIPMENT PRIORITIES

Air Force Reserve Unfunded Requirements

The Air Force Reserve (AFR) is focused on rebalancing its force, recapitalizing its equipment and infrastructure, and supporting its Reservists. Sustaining operations on five continents, the resulting wear and tear weighs heavily on aging equipment. When Legacy aircraft are called upon to support operational missions, the equipment is stressed at a greater rate. Since the start of combat, the majority of AFR equipment requirements have been aircraft upgrades.

Top AFR Equipping Challenges:

- Defensive Systems.*—LAIRCM, ADS, and MWS: equip aircraft lacking adequate infrared missile protection for combat operations.
- Data Link and Secure Communications.*—Data link network supporting image/video, threat updates, and SLOS/BLOS communications for combat missions.

[Dollars in millions]

	Amount
F-16 Systems, CDU, Combined AIFF w/Mode 5/S, Sim Trainer Upgrade	\$10
C-130 Systems, New Armor, RWR, TAWS, VECTS, LED posit Lights	92.8
LAIR Countermeasures KC-135 (15)	118.4
Infra-Red Counter Measures C-17s	60
Security Forces Weapons & Tactical Equipment	3.2
Guardian Angel Weapon System (GAWS):	
Tactical Communication Headset	5
HC-130 Wireless Intercom	6
CSAR Common Data Link	6

Air National Guard Unfunded Equipment Requirements

Given adequate equipment and training, the Air National Guard (ANG) will continue to fulfill its Total Force obligations. As the Nation's first military responder, the Air Force has increased reliance on its Reserve Components, requiring equipment and training comparable to the active component Air Force. The Air National Guard's support to civil authorities is based upon the concept of "dual use," equipment purchased by the Air Force for the Air National Guard's Federal combat mission, which can be adapted and used domestically when not needed overseas.

Shortfalls in equipment will impact the Air National Guard's ability to support the National Guard's response to disasters and terrorist incidents in the homeland.

ANG Equipping Challenges:

- Modernize aging aircraft and other weapons systems for both dual-mission and combat deployments.
- Equipment to satisfy requirements for domestic operations in each Emergency.
- Support Function (ESF).
- Maintain C-5: Failing major fuselage structures and funding for depot maintenance.
- Define an Air Force validation process for both Federal and state domestic response needs.
- Program aging ANG F-16 aircraft for the Service Life Extension Program (SLEP).

An ANG wing contains not only aircraft but fire trucks, forklifts, portable light carts, emergency medical equipment including ambulances, air traffic control equipment, explosives ordinance equipment, etc., as well as well trained experts—valuable in response to civil emergencies.

[Dollars in millions]

	Amount
C-27J Airlift, 4 req'd	\$124
C-40C Airlift, 1 req'd	98
C-38 Replacement Aircraft, 4 req'd	254
C-5 Structural Repair	310
C-17 Next Generation Threat Detection System	59
MC-130 Integrated BLOS/LOS/Data Link/VDL, 167, req'd	66.8
F-16 Advanced Targeting Pod Upgrades	260

NAVY RESERVE UNFUNDED PRIORITIES

Active Reserve Integration (ARI) aligns Active and Reserve component units to achieve unity of command. Operationally, the Navy Reserve is fully engaged across the spectrum of Navy, Marine Corps, and joint operations, from peace to war. It has been the primary provider of Individual Augmentees for the overseas contingency operations filling Army, and Air Force assignments.

Top U.S. Navy Reserve Equipping Challenges:

- Aircraft procurement (C-40A, P-8, KC-130J, C-37B and F/A-18E).
- Expeditionary equipment procurement (MESF, EOD, NCF, NAVELSG, MCAST, EXPCOMBATCAM, and NEIC).

[Dollars in millions]

	Amount
C-40 A Combo cargo/passenger Airlift, 5 req'd	\$425
Aircraft recapitalization is necessary due to the C-9B's increasing operating and depot costs, decreasing availability and inability to meet future avionics/engine mandates required to operate worldwide. The C-40A has twice the range, payload, days of availability of the C-9B, and also has the unique capability of carrying hazardous cargo and passengers simultaneously with no restrictions. C-40 replaces an aging fleet of C-9, C-12 and C-20.	
Maritime Expeditionary Security Force	20
Navy Expeditionary Combat Command has 17,000 Navy Reservists and requires \$3.1 billion in Reserve Component Table of Allowance equipment. Force Utility Boat MPF-UB, 3 req'd \$3 million.	
KC-130J Super Hercules Aircraft tankers, 2 req'd	168
Aircraft needed to fill the shortfall in Navy Unique Fleet Essential Airlift. Procurement price close to upgrading existing C-130Ts with the benefit of a longer life span. 24 req'd.	
Helicopter, Combat SAR, HH-60H (Seahawk), 1 req'd	15.5
C-37 B (Gulf Stream) Aircraft (1)	64
The Navy Reserve helps maintain executive transport airlift to support the Depart. of the Navy.	
Civil Engineering Support Equipment—Tactical Vehicles	4.4

MARINE CORPS RESERVE UNFUNDED PRIORITIES

Marine Forces Reserve (MFR) has two primary equipping priorities—outfitting individuals who are preparing to deploy and sufficiently equipping units to conduct home station training. Individuals receive 100 percent of the necessary warfighting equipment. MFR units are equipped to a level identified by the Training Allowance (TA). MFR units are equipped with the same equipment that is utilized by the Active Component, but in quantities tailored to fit Reserve training center needs. It is imperative that MFR units train with the same equipment they will utilize while deployed.

Top MCR Equipping Challenges:

- Providing units the “right amount” of equipment to effectively train in a pre-activation environment.
- Achieving USMCR goal that the Reserve TA contains the same equipment as the active component.
- Resetting and modernizing the MRF to prepare for future challenges.

	Amount
KC-130J Super Hercules Aircraft tankers, 21 remaining	\$1.5 billion

	Amount
The "T" and "J" aircraft are very different airframes, requiring different logistical, maintenance, and aircrew requirements. The longer both airframes are maintained, the longer twice the cost for logistics, maintenance training, and aircrew training will be spent.	
Light Armored Vehicles—LAV-25, procure 27 remaining,	\$68 million
Completing modernization of Light Armored Vehicle (LAV) family filling a shortfall in a USMCR light armor reconnaissance company. It provides strategic mobility to reach and engage the threat, tactical mobility for effective use of fire power.	
Logistics Vehicle System Replacement (LVS) 108 required	\$650,000 each
Supports accelerated modernization and rapid fielding.	
Simulators: KC-130J Weapons System Trainer	\$25 million
Training transformation remains the cutting-edge arena of simulation and simulators.	
Training Allowance (T/A) Shortfalls	\$145 million
Shortfalls consist of over 300 items needed for individual combat clothing and equipment, including protective vests, ponchos, liners, gloves, cold weather clothing, environmental test sets, tool kits, tents, camouflage netting, communications systems, engineering equipment, combat and logistics vehicles and weapon systems.	

SERVICE MEMBERS LAW CENTER

The Reserve Officers Association developed a Service Members Law Center, advising Active and Reserve service members who are subject to legal problems that occur during deployment.

In the last year, the Service Members Law Center has received over 6,000 calls and e-mails with legal questions. Eighty percent of them deal with the issue of employment and reemployment of veterans. Of those who have contacted us, the ROA Service Members Law Center has referred about 5 percent to attorneys.

The American Bar Association supports legislation S. 1106, Justice for the Troops, to support programs on pro bono legal assistance for members of the Armed Forces. The Service Members Law Center has already been educating the law community on just that, and provides over 700 case studies for online use by law offices.

The Law Center refers names of attorneys who work on related legal issues, encouraging law firms to represent service members. The Center also educates and trains lawyers, especially active and reserve judge advocates, on service member protection cases. It is also a resource to Congress. Last year, the Supreme Court gave judgment on its first USERRA case. The Service Members Law Center filed an amicus curiae (friend of the court) brief on this case.

ROA sets aside office spaces and staffs a lawyer to answer questions of serving members and veterans. Legal services, as suggested by S. 1106, could be sought by the Service Members Law Center if it expanded its staff. This would require additional financial support.

Anticipated overall cost for expansion in fiscal year 2012: \$150,000.

Military Voting

The Service Members Law Center also answers questions about Military Voting. Its director works with the Federal Voting Assistance Program staff to help communicate information to improve military voter participation in Federal elections. FVAP announced a \$16 million grant program to expand those online voting support tools at the State and local level, all of which will be linked to the voter through the FVAP website portal.

ROA and REA fully support additional funding of DOD's Federal Voting Assistance Program for \$35.107 million.

CIOR/CIOMR FUNDING REQUEST

The Interallied Confederation of Reserve Officers (CIOR) was founded in 1948, and the Interallied Confederation of Medical Reserve Officers (CIOMR) was founded in 1947. These organizations are nonpolitical, independent confederations of national reserve associations of the signatory countries of the North Atlantic Treaty Organization (NATO). Presently, there are 16 member nation delegations representing over 800,000 reserve officers. CIOR supports several programs to improve professional development and international understanding. The Reserve Officers Association of the United States represents the United States as its official member to CIOR.

Military Competition.—The CIOR Military Competition is a strenuous 3 day contest on warfighting skills among Reserve Officers teams from member countries. The contest emphasizes combined and joint military actions relevant to the multinational aspects of current and future Alliance operations.

Language Academy.—The two official languages of NATO are English and French. As a non-government body operating on a limited budget, it is not in a position to afford the expense of providing simultaneous translation services. The Academy offers intensive courses in English and French as specified by NATO Military Agency for Standardization, which affords international junior officer members the opportunity to become fluent in English as a second language.

Young Reserve Officers Workshop.—The workshops are arranged annually by the NATO International Staff (IS). Selected issues are assigned to joint seminars through the CIOR Defense and Security Issues (SECDEF) Commission. Junior grade officers work in a joint seminar environment to analyze Reserve concerns relevant to NATO.

Dues do not cover the workshops, and individual countries help fund the events. Presently no service has Executive Agency for CIOR, so these programs aren't being funded.

Military Competition funding needs at \$150,000 per fiscal year.

CONCLUSION

The impact of operations in Iraq and Afghanistan is affecting the very nature of the Guard and Reserve, not just the execution of Roles and Missions. It makes sense to fully fund the most cost efficient components of the Total Force, its Reserve Components.

At a time of war, we are expending the smallest percentage of GDP in history on National Defense. Funding now reflects close to 4 percent of GDP including supplemental dollars. ROA has a resolution urging that defense spending should be 5 percent to cover both the war and homeland security. While these are big dollars, the President and Congress must understand that this type of investment is what it will take to equip, train and maintain an all-volunteer force for adequate National Security.

The Reserve Officers Association, again, would like to thank the subcommittee for the opportunity to present our testimony. We are looking forward to working with you and supporting your efforts in any way that we can.

Chairman INOUE. Thank you very much, General Bockel.
Senator Cochran.

Senator COCHRAN. Thank you, General Bockel. We appreciate your coming here today and giving us your observations and your service, too, to veterans who have served in our military. When you mentioned the hyperbaric chamber, I just recalled the use of that in rehabilitating horses, thoroughbreds for racing. The fellow who really put the biggest bit of attention and his own personal funds into that had a horse that finally won the Kentucky Derby a couple of years ago.

General BOCKEL. There it is.

Senator COCHRAN. It didn't make him run any faster, but it showed the capabilities of treatment for damaged tissues, and it led to the use by men and women who had been in the service. Out at our Bethesda Naval Hospital, I think they have planned for a unit to be installed for trial, and we now will have an opportunity for a higher rate of recovery from a lot of things because of that initiative.

General BOCKEL. In the case of traumatic brain injury, there is no uniform understanding of the condition and the treatment. It is also a continuity of care issue. From DOD healthcare through Veterans Affairs into the private healthcare arena, there is no continuity, no common understanding. The treatment does work. It's been proven anecdotally. There's a doctor at LSU by the name of Paul Harch who's the leader in the treatment, and I personally know of a retired Army Reserve brigadier general who's a judge in Fort Walton Beach, Florida, who spent 2 years in Walter Reed, most of that time suffering from traumatic brain injury, who re-

ceived the hyperbaric therapy at George Washington University Hospital, and he's back on the bench practicing today.

Senator SHELBY. That's remarkable.

Well, thank you very much for being here. Your testimony will be given very careful consideration.

General BOCKEL. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I appreciate the General's testimony and his advocacy here through the paper. He had a distinguished military career before he came to that. We share one thing in common: We both are graduates of the University of Alabama. When he was there he was a distinguished student, but he was also a distinguished graduate of their ROTC program, which served him well in his career.

General BOCKEL. They never thought I would get this far, Senator.

Senator SHELBY. But you have.

Chairman INOUE. Thank you very much.

Captain Smith.

STATEMENT OF CAPTAIN MIKE SMITH, UNITED STATES NAVY (RETIRED), NATIONAL MILITARY AND VETERANS ALLIANCE

Captain SMITH. Chairman Inouye, Senator Cochran, and Senator Shelby: The National Military and Veterans Alliance, or NMVA, is honored to again testify. The alliance represents military retiree veterans and survivor associations with over 3.5 million members. The NMVA supports a strong national security.

The challenges of the deficit and an adequately funded defense are at the forefront of discussions in Congress and, while the alliance is well aware that the subcommittee faces certain budget constraints, the NMVA continues to urge the President and Congress to increase defense spending to 5 percent of gross domestic product during times of high utilization of the military to cover procurement, prevent unnecessary personnel cuts, and afford needed benefits for serving members and retirees. With the U.S. military taking action in four different countries, no one can deny that it is being decidedly used.

It is crucial that military healthcare is funded. NMVA is concerned that as new programs are initiated they won't receive the funding that they need. Treating PTS and TBI shouldn't be on the cheap and alternative treatments should be explored so that our serving members can return to a normal life.

The alliance is concerned that the President's DOD healthcare budget continues to undercut the military's beneficiaries' needs. We ask that you continue to fully fund military healthcare in fiscal year 2012.

It is also important that we have parity in equipment and training for the new operational Guard and Reserve. Cuts in the strength of the Reserve component seem counterintuitive to prevent any unforeseen strategic event. The willingness of our young people today to serve in future conflicts will relate to their perception of how the veterans of this war are being treated.

The NMVA thanks this subcommittee for funding the phased-in survivor benefit plan dependency and indemnity compensation off-

set. But widows of members who were killed in the line of service are continuing to be penalized. Even under the present offset, the vast majority of our enlisted families receive little benefit from this new program because SBP is almost completely offset by DIC. The NMVA respectfully requests that this subcommittee find excess funding to expand this provision.

The alliance also hopes that this subcommittee will fully fund the \$67.7 million authorized by the Senate Armed Services Committee for the two armed forces retirees homes.

As the overseas contingency operations wind down, the challenges faced by our active and Reserve serving members will not go away. The alliance is confident of your ongoing support of national security and that you will keep the budgeting burden off the shoulders of the warriors, the retirees, their families, and survivors.

The NMVA would like to thank the subcommittee for its efforts and, of course, this morning's opportunity to testify. Thank you.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN MIKE SMITH

MEMBERSHIP

American Logistics Association	National Association for Uniformed Services
American Military Retirees Association	National Gulf War Resource Center
American Military Society	Naval Enlisted Reserve Association
American Retirees Association	Paralyzed Veterans of America
American Veterans (AMVETS)	Reserve Enlisted Association
American WWII Orphans Network	Reserve Officers Associations
Armed Forces Marketing Council	Society of Military Widows
Armed Forces Top Enlisted Association	TREA Senior Citizen League
Army Navy Union	The Flag and General Officers' Network
Association of the U.S. Navy	The Retired Enlisted Association
Catholic War Veterans	Tragedy Assistance Program for Survivors
Gold Star Wives of America	Uniformed Services Disabled Retirees
Hispanic War Veterans Association	Veterans of Foreign Wars of the U.S.
Japanese American Veterans Association	Veterans of Modern Warfare
Korean War Veterans Foundation	Vietnam Veterans of America
Legion of Valor	Women in Search of Equity
Military Order of Foreign Wars	
Military Order of the Purple Heart	
Military Order of the World Wars	

INTRODUCTION

Mister Chairman and distinguished members of the Committee, the National Military and Veterans Alliance (NMVA) is very grateful to submit testimony to you about our views and suggestions concerning defense funding issues. The overall goal of the National Military and Veterans Alliance is a strong National Defense. In light of this overall objective, we would request that the committee examine the following proposals.

The "Alliance" is made up of 35 organizations, which provide it with a scope of expertise in military, veteran, family, and survivor issues.

While the NMVA highlights the funding of benefits, we do this because it supports National Defense. A often quoted phrase, "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the Veterans of earlier wars were treated and appreciated by their country," has been frequently attributed to General George Washington. Yet today, many of the programs that have been viewed as being veteran or retiree are viable programs for the young serving members of this war and shouldn't be discounted.

The NMVA is very concerned over comments made by the leadership at the Pentagon that pay and compensation of serving members should be cut. This is very

short sighted, based on a false premise that recruiting and retention successes will continue. To make such cuts will just hasten a hollowing of the force.

The young men and women who serve do so under enormous pressures. Telltale signs of this strain include growing post traumatic stress, upsetting suicide rates, and increasing divorce rates. The impact goes beyond just the serving member and affects extended families and communities with further unintended consequences and sometimes tragic results.

The National Military and Veterans Alliance, through this testimony, hopes to address funding issues that apply to the current and future veterans who have defended this country.

FUNDING NATIONAL DEFENSE

NMVA is pleased to observe that the Congress continues to discuss how much should be spent on National Defense, but the baseline defense budget is now 3.5 percent of America's Gross Domestic Product (GDP). The Alliance urges the President and Congress to maintain defense spending at 5 percent of GDP during times of war to cover procurement and prevent unnecessary personnel end strength cuts.

PAY AND COMPENSATION

Our serving members are patriots willing to accept peril and sacrifice to defend the values of this country. All they ask for is fair recompense for their actions. At a time of war, compensation rarely offsets the risks.

The NMVA requests funding so that the annual enlisted military pay raise exceeds the Employment Cost Index (ECI) by at least half of 1 percent.

If unable to provide a pay raise higher than the President's request, this committee should target pay raises for the mid-grade members, who have increased responsibility in relation to the overall service mission, are also at the highest risk of leaving the service.

NMVA supports applying the same allowance standards to both Active and Reserve when it comes to Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, Hazardous Duty Incentive Pay and other special pays. Guard and Reserve members are performing more specialized hours, but are currently being paid less.

The Service chiefs have admitted one of the biggest retention challenges is to recruit and retain medical professionals. NMVA urges the inclusion of bonus/cash payments (Incentive Specialty Pay) into the calculations of Retirement Pay for military healthcare providers. NMVA has received feedback that this would be incentive to many medical professionals to stay in longer.

G-R Bonuses.—Guard and Reserve component members may be eligible for one of three bonuses, Prior Enlistment Bonus, Reenlistment Bonus and Reserve Affiliation Bonuses for Prior Service Personnel. These bonuses are used to keep men and woman in mission critical military occupational specialties (MOS) that are experiencing falling numbers or are difficult to fill. This point cannot be understated. The operation tempo, financial stress and competition with Active Duty recruiting necessitate continuing incentives. The NMVA supports expanding and funding bonuses to the Reserve Components.

Reserve/Guard Funding.—NMVA is concerned about a possible recommendation from the 11th Quadrennial Review of Military Compensation to end "2 days pay for 1 days work," and replace it with a plan to provide one-thirtieth of a month's pay model, which would include both pay and allowances.

Even with allowances, pay would be less than the current system, and the accounting would be far more complex. Allowances differ between individuals and can be affected by commute distances and even zip codes. Certain allowances that are unlikely to be uniformly paid include geographic differences, housing variables, tuition assistance, travel, and adjustments to compensate for missing healthcare.

Additionally there have been DOD suggestions that pay should differ for those in the Guard and Reserve who are in strategic units and operational units. This concept would undermine the Force Generation Plan, which would have the readiness of a Reserve Component unit increase over a 5 year cycle, favored by both the Army and the Marine Reserve. In the early years a unit would be in a strategic status, and for the final 2 years be in an operational mode. Pay should not differ during different stages of FORCGEN.

The NMVA strongly recommends that the reserve pay system continue on a "2 days pay for two drills in a day," be funded and be retained, as is.

EDUCATIONAL ISSUES

Practically all active duty and Selected Reserve enlisted accessions have a high school diploma or equivalent. A college degree is the basic prerequisite for service as a commissioned officer, and is now expected of most enlisted as they advance beyond E-6.

Officers to promote above O-4 are expected to have a post graduate degree. The ever-growing complexity of weapons systems and support equipment requires a force with far higher education and aptitude than in previous years.

Post 9/11 GI Bill

According to a survey conducted by military.com, 36 percent of individuals on active duty want to transfer the benefit to their spouse and 48 percent would transfer it to their children. The Post 9/11 GI Bill provides the much desired transferability option to spouses and children in exchange for an agreement from the serving member that they will continue to serve another 4 years in military service.

The National Military and Veterans Alliance supports future funding to continue the transferability of the Post 9/11 GI Bill, as it is an important retention and recruiting resource.

MGIB-SR Enhancements

The Montgomery G.I. Bill for Selective Reserves (MGIB-SR) will continue to be an important recruiting and retention tool for the Reserve Components. With massive troop rotations, the Reserve forces can expect to have retention shortfalls, unless the government provides enhanced education incentives as well.

The problem with the current MGIB-SR is that the Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. MGIB-SR has not even been increased by cost-of-living increases since 1985. In that year MGIB rates were established at 47 percent of active duty benefits. The MGIB-SR rate is 28 percent of the Chapter 30 benefits. Overall the allowance has inched up by only 7 percent since its inception, as the cost of education has climbed significantly.

The NMVA requests appropriations funding to raise the MGIB-SR and lock the rate at 50 percent of the active duty benefit. Cost: \$25 million/first year, \$1.4 billion over 10.

FORCE POLICY AND STRUCTURE

End Strength

The NMVA is concerned about cuts in the end strength boosts of the Active Duty Component of the Army and Marine Corps as have been recommended by Defense Authorizers. The goal for active duty dwell time is 1:3. This has yet to be achieved under current operations tempo, and end strength cuts will only further impact dwell time. Trying to pay the defense bills by premature manpower reductions will have consequences.

Manning Cut Moratorium

The NMVA would also like to put a freeze on reductions to the Guard and Reserve manning levels. A moratorium on reductions to End Strength is needed until the impact of rebalancing of the force is understood. The Alliance is pleased to see a recommended increase in the Navy and Air Force Reserves. NMVA urges this subcommittee to at least fund to last year's levels for other Reserve Components.

SURVIVOR BENEFIT PLAN (SBP) AND SURVIVOR IMPROVEMENTS

The Alliance wishes to deeply thank this Subcommittee for your funding of improvements in the myriad of survivor programs, including funding the Special Survivor Indemnity Allowance.

However, there is still an issue remaining to deal with:

Providing funds to end the SBP/DIC offset.

SBP is a purchased annuity, available as an elected earned employee benefit. This program provides a guaranteed income payable to survivors of retired military upon the member's death. Dependency and Indemnity Compensation (DIC) is an indemnity program to compensate a family for the loss of a loved one due to a service connected death. They are different benefits created to fulfill different purposes and needs. At this time the SBP annuity the service member has paid for is offset dollar for dollar for the DIC survivor benefits paid through the Department of Veteran Affairs.

SBP/DIC Offset affects several groups. The first is the family of a medically retired member of the uniformed services. If the service member is leaving the service

disabled it is only wise to enroll in the Survivor Benefit Plan (perhaps being uninsurable in the private sector). If a later death is service connected then the survivor loses their SBP annuity to DIC.

A second group affected by this offset is families whose service member died on active duty. Recently Congress created active duty SBP. These service members never had the chance to pay into the SBP program. But clearly Congress intended to give these families a benefit. With the present offset in place, the vast majority of families receive no benefit from this new program, because the vast numbers of our losses are young men or women in the lower paying ranks.

Other affected families are service members who have already served a substantial time in the military. Their surviving spouse is left in a worse financial position than a younger widow. The older widows will normally not be receiving benefits for her children from either Social Security or the VA and will normally have more substantial financial obligations (mortgages etc). This spouse is very dependent on the SBP and DIC payments and should be able to receive both.

The NMVA respectfully requests that this Subcommittee fund the SBP/DIC offset.

CURRENT AND FUTURE ISSUES FACING UNIFORMED SERVICES

Healthcare

The National Military and Veterans Alliance once again thanks this Committee for the great strides that have been made over the last few years to improve the healthcare provided to the active duty members, their families, survivors and Medicare eligible retirees of all the Uniformed Services. The improvements have been historic. TRICARE for Life and the Senior Pharmacy Program have improved the life and health of Medicare Eligible Military Retirees, their families, and survivors. Yet many serious problems need to be addressed:

Wounded Warrior Programs

The Alliance supports continued funding for the wounded warriors, including monies for research and treatment on Traumatic Brain Injuries (TBI), Post Traumatic Stress Disorder (PTSD), the blinded, and our amputees. The Nation owes these heroes an everlasting gratitude and recompense that extends beyond their time in the military. These casualties only bring a heightened need for a DOD/VA electronic health record accord to permit a seamless transition from being in the military to being a civilian.

Full Funding for the Military Health Program

The Alliance applauds the Subcommittee's role in providing adequate funding for the Defense Health Program (DHP) in the past several budget cycles. As the cost of healthcare has risen throughout the country, you have provided adequate increases to the DHP to keep pace with these increases.

Full funding for the defense health program is a top priority for the NMVA. With the additional costs that have come with the deployments to Southwest Asia, Afghanistan and Iraq, we must all stay vigilant against future budgetary shortfalls that would damage the quality and availability of military healthcare. NMVA is confident that this subcommittee will continue to fund the DHP so that there will be no budget shortfalls.

The National Military and Veterans Alliance urges the Subcommittee to continue to ensure full funding for the Defense Health Program including the full costs of all new programs.

TRICARE Pharmacy Programs

NMVA supports the continued expansion of use of the TRICARE Mail Order pharmacy.

To truly motivate beneficiaries to a shift from retail to mail order adjustments need to be made to both generic and brand name drugs co-payments. NMVA recommends that both generic and brand name mail order prescriptions be reduced to zero dollar co-payments to align with military clinics.

Ideally, the NMVA would like to see the reduction in mail order co-payments without an increase in co-payments for Retail Pharmacy.

The National Military and Veterans Alliance urges the Subcommittee to adequately fund adjustments to co-payments in support of recommendations from Defense Authorizers.

TRICARE Standard Improvements

TRICARE Standard grows in importance with every year that the global war on terrorism continues. A growing population of mobilized and demobilized Reservists depends upon TRICARE Standard. A growing number of younger retirees are more

mobile than those of the past, and likely to live outside the TRICARE Prime network.

An ongoing challenge for TRICARE Standard involves creating initiatives to convince healthcare providers to accept TRICARE Standard patients. Healthcare providers are dissatisfied with TRICARE reimbursement rates that are tied to Medicare reimbursement levels. The Alliance is pleased by Congress' plan to prevent near-term reductions in Medicare reimbursement rates, which will help the TRICARE Program.

Yet this is not enough. TRICARE Standard is hobbled with a reputation and history of low and slow payments as well as what still seems like complicated procedures and administrative forms that make it harder and harder for beneficiaries to find healthcare providers that will accept TRICARE. Any improvements in the rates paid for Medicare/TRICARE should be a great help in this area. Additionally, any further steps to simplify the administrative burdens and complications for healthcare providers for TRICARE beneficiaries hopefully will increase the number of available providers.

The Alliance asks the Defense Subcommittee to include language encouraging continued increases in TRICARE/Medicare reimbursement rates.

TRICARE Retiree Dental Plan (TRDP)

The focus of the TRICARE Retiree Dental Plan (TRDP) is to maintain the dental health of Uniformed Services retirees and their family members. With ever increasing premium costs, NMVA feels that the Department should assist retirees in maintaining their dental health by providing a government cost-share for the retiree dental plan. With many retirees and their families on a fixed income, an effort should be made to help ease the financial burden on this population and promote a seamless transition from the active duty dental plan to the retiree dental plan in cost structure. Additionally, we hope the Congress will enlarge the retiree dental plan to include retired beneficiaries who live overseas.

The NMVA would appreciate this Committee's consideration of both proposals.

NATIONAL GUARD AND RESERVE HEALTHCARE

Mobilized Healthcare—Dental Readiness of Reservists

The number one problem faced by Reservists being recalled has been dental readiness. A model for healthcare would be the TRICARE Dental Program, which offers subsidized dental coverage for Selected Reservists and self-insurance for SELRES families.

In an ideal world, this would be universal dental coverage. However, reality is that the services are facing challenges. Premium increases to the individual Reservist have caused some junior members to forgo coverage. Dental readiness has dropped. The Military services are trying to determine how best to motivate their Reserve Component members but feel compromised by mandating a premium program if Reservists must pay a portion of it.

Services have been authorized to provide dental treatment as well as examination, but have no funding to support this service. By the time many Guard and Reserve are mobilized, their schedule is so short fused that the processing dentists don't have time for extensive repair.

The National Military Veterans Alliance supports funding for utilization of Guard and Reserve Dentists to examine and treat Guardsmen and Reservists who have substandard dental hygiene. The TRICARE Dental Program should be continued, because the Alliance believes it has pulled up overall Dental Readiness.

Demobilized Dental Care

Under the revised transitional healthcare benefit plan, Guard and Reserve, who were ordered to active duty for more than 30 days in support of a contingency, have 180 days of transition healthcare following their period of active service, but similar coverage is not provided for dental restoration.

Dental hygiene is not a priority on the battlefield, and many Reserve and Guard are being discharged with dental readiness levels much lower than when they were first recalled. At a minimum, DOD must restore the dental state to an acceptable level that would be ready for mobilization, or provide a subsidy for 180 days after demobilization to permit restoration from a civilian source. Current policy is a 30 day window with dental care being space available at a priority less than active duty families.

NMVA asks the committee for funding to support a DOD's demobilization dental care program. Additional funds should be appropriated to cover the cost of TRICARE Dental premiums and co-payments for the 6 months following demobilization if DOD is unable to do the restoration.

OTHER GUARD AND RESERVE ISSUES

Ensure adequate funding to equip Guard and Reserve at a level that allows them to carry out their mission. Do not turn these crucial assets over to the active duty force. In the same vein we ask that the Congress ensure adequate funding that allows a Guardsman/Reservist to complete 48 drills and 15 annual training days per member per year. DOD has been tempted to expend some of these funds on active duty support rather than personnel readiness.

The NMVA strongly recommends that Reserve Program funding remain at sufficient levels to adequately train, equip and support the robust reserve force that has been so critical and successful during our Nation's recent major conflicts.

While Defense Authorizers provided an early retirement benefit in fiscal year 2008, only those who have served in support of a contingency operation since January 28, 2008 are eligible, which is nearly 6 years and four months after Guard and Reserve members first were mobilized to support the active duty force in this conflict. Over 725,000 Reservists, who have served during this period, were excluded from eligibility. The explanation given was lack of mandatory funding offset. To exclude a portion of our warriors is akin to offering the original GI Bill to those who served after 1944.

NMVA hopes that this subcommittee can help identify excess funding that would permit an expanded early retirement benefit for those who have served.

MILITARY VOTING

NMVA also feels that significant progress has been made in military voting rights in the past 2 years through passage of the MOVE Act of 2009, and the new programs implemented by the Federal Voting Assistance Program. These new programs include such innovations as online tools to assist voters in filling out registration forms and back-up ballots, as well as the online ballot delivery tools developed by 17 States, with FVAP support, and fielded for the 2010 election. Recently, FVAP announced a \$16 million grant program to expand those online voting support tools at the State and local level, all of which will be linked to the voter through the FVAP website portal.

NMVA fully supports additional funding of DOD's Federal Voting Assistance Program for \$35.107 million, and the budget PE Numbers are 0901220SE and 0605803SE, Project 4.

REINTEGRATION PROGRAMS

As overseas contingency operations wind down, a temptation will be to reduce funds to yellow ribbon and other reintegration programs, but young men and women will continue to leave active duty, and members serving and the Guard and Reserve will likely continue to be called up to active duty. NMVA supports continued funding to Yellow Ribbon and TAP programs.

These programs must be further examined to enhance the resilience training. Resilience survival training prepares one to better adapt to life's misfortunes and setbacks. While programs are in place to focus on suicide, there are other challenges to be faced such as unemployment and military divorce that need to be addressed, including seminars to better understand the current laws.

ARMED FORCES RETIREMENT HOMES

Dormitories and buildings at the AFRH—Washington, DC campus continue to need refurbishing. While the AFRJ—Gulfport facility has reopened, the Navy/Marine Corps residents continue to need funding for the finishing touches of the site.

NMVA urges this subcommittee to continue funding upgrades at the Washington, DC facility and improvements at the Gulfport facility.

CONCLUSION

Mr. Chairman and distinguished members of the Subcommittee, the Alliance again wishes to emphasize that we are grateful for and delighted with the large steps forward that the Congress has affected the last few years. We are aware of the continuing concern all of the subcommittee's members have shown for the health and welfare of our service personnel and their families. Therefore, we hope that this subcommittee can further advance these suggestions in this committee or in other positions that the members hold. We are very grateful for the opportunity to submit these issues of crucial concern to our collective memberships. Thank you.

Chairman INOUE. Thank you very much, Captain Smith.
Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

Let me again reiterate our appreciation for the participation of those of you who have served in the military and through your experience have direct knowledge of a lot of these issues that we are now confronting. The information that you're providing and the suggestions are deeply appreciated. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. I thank Captain Smith and the whole panel. I was looking at your membership. You represent the umbrella of all these groups, so you do it well.

So thank you, Mr. Chairman.

Chairman INOUE. Thank you.

I'd like to thank the panel. Now the next panel: Captain Ike Puzon, U.S. Navy retired, Associations for America's Defense; Dr. Donald Jenkins, National Trauma Institute; Rear Admiral Casey Coane, U.S. Navy retired, Association for the U.S. Navy; Ms. Karen Goraleski, American Society of Tropical Medicine and Hygiene.

May I call on Captain Puzon.

STATEMENT OF CAPTAIN IKE PUZON, UNITED STATES NAVY (RETIRED), ON BEHALF OF THE ASSOCIATIONS FOR AMERICA'S DEFENSE

Captain PUZON. Mr. Chairman, Senator Cochran, Senator Shelby: The Associations for America's Defense is very grateful to testify today. We would like to thank the subcommittee for your stewardship on the defense issues and setting an example through your nonpartisan leadership.

The Associations for America's Defense is concerned that U.S. defense policy is sacrificing security due to budget pressures and readiness. Most concerning is the vigorous pursuit to cut existing programs. Chairman of the Joint Chiefs of Staff Admiral Mike Mullen in his testimony before the Senate Armed Services Committee in February recognized that: "In the back end of previous conflicts, we were able to contract our equipment inventory by shedding our oldest capital assets, reducing the average age of our systems. We cannot do this today because of the high pace and duration of combat operations. We must actually recapitalize our systems to restore our readiness and avoid becoming a hollow force."

A4AD is in agreement, and in addition we are alarmed that the fiscal year 2012 unfunded program list submitted by the military services was not made publicly available and that the Army do not even have such a list this year. Moreover, the past 2 years we saw significant reductions in the unfunded lists submitted, leading to a speculation that military services are no longer permitted to produce their full unfunded needs.

Additionally, the results of such budgetary policy could again lead to a hollow force whose readiness and effectiveness has been subtly degraded and lessened efficiency will not be immediately evident.

We support increasing defense spending to 5 percent of the gross domestic production during times of war to cover procurement and prevent unnecessary personnel end strength cuts. As always, our military will do everything possible to accomplish its missions, but response time is measured by equipment readiness and availability.

Defense Secretary Robert Gates has warned against hollowing out the force from a lack of proper training, lack of proper maintenance and equipment and manpower. Also, U.S. Joint Forces Command General Ray Odierno said recently: "We must avoid the trap of doing more with less, which is a recipe for creating a hollow force." He further qualified this by asking: "What are we going to stop doing?"

Ominously, both the 30-year shipbuilding and aviation plans are at risk of achieving their goals. The Navy's plan to build a 313-ship fleet doesn't match reality, in which funding is highly unlikely to meet this goal. In addition, there are plans to extend the service life of already 40-year-old ships another 28 years. For the aviation plan, the original assumption forecasted a 3 percent average annual growth for aviation programs over the next decade. But now there are predicted a zero-growth aviation budget for 2017.

As these plans are not bearing the fruit that was originally projected, it is imperative that until the new systems are acquired in sufficient quantities to replace legacy fleets, legacy systems must be sustained and kept operational.

As the military continues to become more expeditionary, more airlifts are needed, such as C-17s, C-130Js, and C-40s. They will be required. Yet DOD has decided to shut down production of C-17. Procurement needs to be accelerated, modernized, and mobility requirements need to be acknowledged. We ask this subcommittee to continue to provide appropriations for unfunded National Guard and Reserve equipment requirements.

Of great concern is the potential to revert the Reserve component back to a strategic reserve. Our national security demands both an operational and strategic reserve. We urge the subcommittee to study the comprehensive review of the future role of Reserve components, which calls for reserve equipment.

We genuinely appreciate the support of the subcommittee, particularly at the time when there is growing pressure on the congressional members promoting further cuts. Thank you again. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN IKE PUZON

ASSOCIATIONS FOR AMERICA'S DEFENSE

Founded in January 2002, the Association for America's Defense (A4AD) is an adhoc group of Military and Veteran Associations that have concerns about National Security issues that are not normally addressed by The Military Coalition (TMC) and the National Military Veterans Alliance (NMVA), but participants are members from each. Members have developed expertise in the various branches of the Armed Forces and provide input on force policy and structure. Among the issues that are addressed are equipment, end strength, force structure, and defense policy. A4AD, also, cooperatively works with other associations, who provide input while not including their association name to the membership roster.

PARTICIPATING ASSOCIATIONS

American Military Society	Hispanic War Veterans of America
Army and Navy Union	Marine Corps Reserve Association
Association of the U.S. Navy	Military Order of World Wars
Enlisted Assoc. of the National Guard of the U.S.	National Assoc. for Uniformed Services
	Naval Enlisted Reserve Association

Reserve Enlisted Association
Reserve Officers Association

The Flag and General Officers' Network
The Retired Enlisted Association

INTRODUCTION

Mister Chairman and distinguished members of the committee, the Associations for America's Defense (A4AD) is again very grateful for the invitation to testify before you about our views and suggestions concerning current and future issues facing the defense appropriations.

The Association for America's Defense is an adhoc group of 13 military and veteran associations that have concerns about national security issues. Collectively, we represent armed forces members and their families, who are serving our Nation, or who have done so in the past.

CURRENT VERSUS FUTURE: ISSUES FACING DEFENSE

The Associations for America's Defense would like to thank this subcommittee for the ongoing stewardship that it has demonstrated on issues of defense. While in a time of war, this subcommittee's pro-defense and non-partisan leadership continues to set an example.

Force Structure: Erosion in Capability

The 2010 Quadrennial Defense Review's (QDR) objectives include: further rebalance the Armed Force's capabilities to prevail in today's wars while building needed capabilities to deal with future threats; and reform Department of Defense's (DOD) institutions and processes to better support warfighters' urgent needs; purchase weapons that are usable, affordable, and needed; and ensure that taxpayer dollars are spent wisely and responsibly. The new QDR calls for DOD to continually evolve and adapt in response to the changing security environment.

Retiring Secretary of Defense Robert Gates said that, "It is vitally important to protect the military modernization accounts," and to, "push ahead with new capabilities, from an air refueling tanker fleet to ballistic missile submarines." Additionally when referring to paying America's budget by defense Gates also stated that, "If you cut the defense budget by 10 percent, which would be catastrophic in terms of force structure, that's \$55 billion out of a \$1.4 trillion deficit," further saying, "We are not the problem."

The Chairman of the Joint Chiefs of Staff Admiral Mike Mullen well-known for his saying that the "national debt is the greatest threat to national security," in his testimony before the Senate Armed Services Committee in February 2011 also recognized the following regarding equipment:

In the "back end" of previous conflicts, we were able to contract our equipment inventory by shedding our oldest capital assets, reducing the average age of our systems. We cannot do this today, because the high pace and durations of combat operations have consumed the equipment of all our Services much faster than our peacetime programs can recapitalize them. We must actually recapitalize our systems to restore our readiness and avoid becoming a hollow force.

Hollow Force

A4AD strongly disagrees with placing budgetary constraints on defense especially in light of the fact that many have recommended cutting defense in order to pay off debt despite it only being 20 percent of the overall budget. Member associations also question the current administration's spending priorities which place more importance on the immediate future rather than a short and long term approach. The result of such a budgetary policy again lead to a hollow force whose readiness and effectiveness has been subtly degraded and lessened efficiency will not be evident immediately. This process, echoing the past, raises no red flags and sounds no alarms, and the damage can go unnoticed and unremedied until a crisis arises highlighting readiness decay.

Even Secretary Gates has ominously warned against ". . . hollowing out of the force from a lack of proper training, maintenance and equipment—and manpower." But he's not the only one, the commander of U.S. Joint Forces Command General Raymond Odierno also has said recently, "We must avoid the trap of doing more with less, which is a recipe for creating a hollow force," and further qualified this by asking, "what are we going to stop doing?"

Emergent Risks

Members of this group are concerned that U.S. defense policy is sacrificing future security for near term readiness. Our efforts are so focused to provide security and stabilization and then withdrawal in Afghanistan and Iraq. While risk is being ac-

cepted as an element of future force planning, current planning is driven by current overseas contingency operations, and progressively more on budget limitations.

What seems to be overlooked is that the United States is involved in a Cold War in S.E. Asia as well as a Hot War with two theaters in S.W. Asia. Security issues in North Africa, the Middle East, North Korea, China, Iran, and Russia add to the growing areas of risk.

Arab Awakening

The Middle East is in the midst of great turmoil in which multiple countries have and continue to see uprisings, there's a widening gap between Christians and Muslims in Egypt, Syria has seen numerous civilian deaths, Israel is increasingly defensive, Yemen edges closely to civil war, more attacks are surfacing in Iraq, Libya remains in a stalemate, in addition to other problems.

It is concerning that while in the thick of continuing protests and instability numerous western nations are pledging significant funding for alleged "Arab countries in transition to democracy". The United States' best interest is to ensure that there is reliable leadership in Arab states, civil relations toward Israel, and reduced violence against civilians. Also any assistance given must be targeted to support the U.S. National Security Strategy and have detailed goals attached.

Korean Peninsula

North Korea has 1.2 million active and 7.7 million reserve forces while South Korea had 653,000 active and 3.2 million reserve soldiers in 2010, and there are 28,500 U.S. troops stationed to the South. While not an immediate danger to the United States, North Korea is viewed as an increased threat to its neighbors, and is potentially a destabilizing factor in Asia. North Korea may be posturing, but it is still a failed state, where misinterpretation clouded by hubris could start a war.

Recently South Korea has admitted that it has held secret discussions with North Korea in May, yet North Korea utilized the opportunity to embarrass the South. Some analysts actually believe that the two nations may be entering into a new dangerous phase. This is further emphasized by the cool relations of the past year in which North Korea committed attacks against South Korea on Yeonpyeong Island and the sinking of the navy vessel ROKS Cheonan, which resulted in 50 deaths. In fact South Korea intends to increase its defense budget by nearly 5.8 percent in 2011, which is partially in response to these attacks.

China

China has worked very hard to create a façade to the world to conceal its true strengths and weaknesses. According to Chief of Naval Operations Admiral Gary Roughead, at a SAC-D hearing, "The Chinese Navy is the fastest-growing in the world today."

Of great concern is China's defense budget which 'officially' will increase 12.7 percent, 600 billion Yuan or roughly \$91 billion, for 2011. Some of the increase will go toward the strategic nuclear force, the strategic missile unit, and the Navy. But this is not the whole budget and in fact it doesn't include the cost for procuring or building new weapons which could almost double the defense budget. What's more experts across the board estimate that China's actually spends far more than is reported, ranging from over \$150 billion as DOD reported in 2010 (up to 250 percent higher than figures reported by the Chinese government) to as much as \$400 billion as estimated by GlobalSecurity.org based on "a more appropriate purchasing power parity (PPP) basis".

In addition their cost of materials and labor is much lower. China's GDP climbed to 9.6 percent while the United States is at 2.6 percent as of the third quarter for 2010. According to the CIA World Fact Book "because China's exchange rate is determine by fiat, rather than by market forces, the official exchange rate measure of GDP is not an accurate measure of China's output; GDP at the official exchange rate substantially understates the actual level of China's output vis-a-vis the rest of the world; in China's situation, GDP at purchasing power parity provides the best measure for comparing output across countries."

China's build-up of sea and air military power appears aimed at the United States, according to Admiral Michael Mullen. Furthermore China is reluctant to support international efforts in reproaching North Korea. China has stated that it will field its advanced new J-20 stealth fighter in 2017-19.

Furthermore there is also the aggressive behavior. Recently the Philippines deployed two warplanes when a ship searching for oil complained of being harassed by two Chinese patrol boats in the South China Sea, Japan deployed F-15 fighter jets when Chinese surveillance and anti-submarine aircraft flew near the East China Sea disputed islands, and at all times China pursues overtaking Taiwan.

China also associates with adversarial nations, specifically Iran and Venezuela who both openly antagonize the United States.

Iran

While Iran lobs petulant rhetoric toward the United States, the real international tension is between Israel and Iran, and Iran's handiwork in various Middle Eastern uprisings such as Bahrain which is already considered to be an Iranian quasi-satellite state.

Israel views Tehran's atomic work as a threat, and would consider military action against Iran as it has threatened to "eliminate Israel." Israeli leadership has warned Iran that any attack on Israel would result in the "destruction of the Iranian nation." Israel is believed to have between 75 to 200 nuclear warheads with a megaton capacity.

Two Iranian warships passed through the Suez Canal upon receiving approval from Egypt, which Israel called a provocation. Iran has also sent a submarine into the Red Sea.

Russia

While the Obama Administration has been working on a "reset" policy toward Russia, including a new START treaty, there are areas of concern. A distressing issue is their ongoing relationship with Iran. Additionally Russia sells arms to countries like Syria and Venezuela.

Prime Minister Vladimir Putin stated recently, "Despite the difficult environment in which we are today, we still found a way to not only maintain but also increase the total amount of state defense order." Russia's defense budget rose by 34 percent in 2009, as reported by the International Institute of Strategic Study, and has plans for incremental defense spending increases starting 2011 with a \$19.2 billion, \$24.3 billion in 2012, and then \$38.8 billion in 2013.

Funding for the Future

Since Secretary Gates initiated the practice of reviewing all the services' unfunded requirements lists prior to testifying before Congress the unfunded lists have shown a dramatic reduction from \$33.3 billion for fiscal year 2008 and \$31 billion for fiscal year 2009 to \$3.8 billion for fiscal year 2010 and \$2.6 billion for fiscal year 2011.

Secretary Gates instituted a plan to save \$100 billion over 5 years. Two-thirds of the savings are supposed to come from decreasing overhead and one-third from cuts in weapons systems and force structure. For the 2012 budget, the military services and defense agencies have been asked to find \$7 billion in savings. In addition President Obama has ordered \$400 billion in national security spending cuts over 10 years as the administration identifies ways to reduce the Federal deficit. These impending cuts are in addition to weapon systems cuts from the past couple years amounting to more than \$330 billion.

Secretary Gates stated, ". . . sustaining the current force structure and making needed investments in modernization will require annual real growth of 2 (percent) to 3 percent, which is 1 (percent) to 2 percent above current top line budget projections," in a briefing at DOD in Aug. 2010.

Defense as a Factor of GDP

Secretary Gates has warned that that each defense budget decision is "zero sum," providing money for one program will take money away from another. A4AD encourages the Appropriations Subcommittee on Defense to scrutinize the recommended spending amount for defense. Each member association supports defense spending at 5 percent of Gross Domestic Product during times of war to cover procurement and prevent unnecessary end strength cuts.

A Changing Manpower Structure

The 2010 QDR reduces the number of active Army brigade combat teams to 45 and Air Force tactical fighter wings to 17, while maintaining the 202,100 Marine Corps active manpower level. The Navy's fiscal year 2011 budget keeps the goal of a 313 ship battle fleet, but its 30 year shipbuilding plan includes 276 ship, thus not reaching the goal. As a result of these planned cuts, the Heritage Foundation projects there will be a 5 percent decrease in manpower over the next 5 years.

A4AD supports a moratorium on further cuts including the National Guard and Title 10 Reserve. We further suggest that a Zero Based Review (ZBR) be performed to evaluate the current manning requirements. Additionally, as the active force is cut, these manpower and equipment assets should be transferred into the Reserve Components.

Maintaining a Surge Capability

The Armed Forces need to provide critical surge capacity for homeland security, domestic and expeditionary support to national security and defense, and response to domestic disasters, both natural and man-made that goes beyond operational forces. A strategic surge construct includes manpower, airlift and air refueling, sea-lift inventory, logistics, and communications to provide a surge-to-demand operation. This requires funding for training, equipping and maintenance of a mission-ready strategic reserve composed of active and reserve units.

Dependence on Foreign Partnership

Part of the U.S. military strategy is to rely on long-term alliances to augment U.S. forces. As stated in a DOD progress report, "Our strategy emphasizes the capacities of a broad spectrum of partners . . . We must also seek to strengthen the resiliency of the international system . . . helping others to police themselves and their regions." The fiscal year 2012 budget request included \$500 million for fiscal year 2012, which helps build capabilities of key partners. Yet many allies are cutting their forces.

The risk of basing a national security policy on foreign interests and good world citizenship is increasingly uncertain because their national objectives can differ from our own. Alliances should be viewed as a tool and a force multiplier, but not the foundation of National Security.

Seapower Dominance

The United States, as a maritime Nation, is on the cusp of losing its dominance at sea. The U.S. Navy has been incrementally depreciating through reductions and ever-more aging assets. Now, there are plans to extend the service life of already 40-year old ships another 28 years through 2039. While service life extension programs may cost effective in the short term, continual repairs and downgraded readiness will prove to be more expensive than replacing an asset in the long term.

The cost will not just be defense based, but will impact the national and world economy. The United States has maintained its presence and strength throughout the world, attributing greatly to reducing aggressive behavior such as dealing with piracy, regional disorder, drug trade, human trafficking and much more. According to MacKenzie Eaglen of Heritage Foundation, "The U.S. Navy's global presence has added immeasurably to U.S. economic vitality and to the economies of America's friends and allies, not to mention those of its enemies."

A4AD is particularly concerned that the Navy is no longer as of 2011 required to submit a full plan each year to Congress, but rather ties it to the QDR which is only updated once every 4 years, causing the Navy to be slow to respond to changing threats. Once the U.S. seapower capability is lost, it will be extremely difficult to regain a dominant position in the world seas.

UNFUNDED REQUIREMENTS

The Unfunded Program Lists submitted by the military services to Congress have been reduced significantly since fiscal year 2009 and A4AD has concerns that these requests continue to be driven more by budgetary factors than risk assessment. Of particular concern is the Army who officially has no unfunded requirements, in spite of the fact that its equipment has been the most highly utilized in overseas contingency operations in Iraq and Afghanistan, leading to high wear and tear. A4AD is distressed that by limiting the unfunded lists, Congress is unable to make informed decisions on appropriating for defense.

Aviation Plans

Although the first long-term aviation plan was submitted to Congress in fiscal year 2011 forecasting a 3 percent average annual real growth for aviation programs over the next decade, in the fiscal year 2012 report investment assumptions changed and now predict a zero real growth aviation budget after 2017. Regrettably the aviation plan did not consider rotary wing, tilt-rotor, or trainer aircraft.

Tactical Aircraft

The Air Force has accelerated a plan to retire 250 fighter jets including 112 F-15s and 134 F-16s. Also the Air Force plans to ground 18 F-16s in the USANG due to the fiscal year 2012 presidential budget request that didn't include funding for three F-16s for six States each.

The Air Force-Navy-Marine Corps fighter inventory will decline steadily from 3,264 airframes in fiscal year 2011 to 2,883 in fiscal year 2018, at which point the air fleet is supposed to have a slow increase.

Until new systems are acquired in sufficient quantities to replace legacy fleets, legacy systems must be sustained and kept operationally relevant. The risk of the older aircraft and their crews and support personnel being eliminated before the new aircraft are on line could result in a significant security shortfall.

Airlift

Hundreds of thousands of hours have been flown, and millions of passengers and tons of cargo have been airlifted. Air Force and Naval airframes and air crews are being stressed by these lift missions. As the military continues to be more expeditionary it will require more airlift. Procurement needs to be accelerated and modernized, and mobility requirements need to be reported upon.

While DOD has decided to shut down production of C-17s, existing C-17s are being worn out at a higher rate than anticipated. Congress should independently examine actual airlift needs, and plan for C-17 modernization, a possible follow-on procurement. Furthermore shutting down production of C-17s or any equipment causes great difficulty for reopening such lines and will cause unnecessary delays in the future.

The Navy and Marine Corps need C-40A replacements for the C-9B aircraft; only nine C-40s have been ordered since 1997 to replace 29 C-9Bs. The Navy requires Navy Unique Fleet Essential Airlift. The C-40A, a derivative of the 737-700C a Federal Aviation Administration (FAA) certified, while the aging C-9 fleet is not compliant with either future global navigation requirements or noise abatement standards that restrict flights into European airfields.

NGREA

A4AD asks this committee to continue to provide appropriations for unfunded National Guard and Reserve Equipment Requirements. The National Guard's goal is to make at least half of Army and Air assets (personnel and equipment) available to the Governors and Adjutants General at any given time. To appropriate funds to Guard and Reserve equipment provides Reserve Chiefs with a flexibility of prioritizing funding.

UNFUNDED EQUIPMENT REQUIREMENTS

[The services and lists are not in priority order. Amounts are total cost, not individual. If item is preceded by a number in parentheses that is the quantity needed.]

	Amount
Air Force Active:	
F-35 Joint Strike Fighter	Unknown
Aircraft Training Simulators	Unknown
F-16 SLEP	Unknown
Air Force Reserve (USAFR):	
C-130—requirement of LAIRCOM and SLOS/BLOS capability	\$73.3 million
A-10/F-16—requirement of Day/Night Helmet Mounted Integrated Targeting (HMIT) (PA, SP)	\$9.8 million
ACS—requirement of Grissom R-12 Refuelers	\$0.9 million
HC-130—requirement of Integrated EW suite (ALQ-213) with VECTS	\$6 million
C-130—requirement of SAFIRE Look Out Capability and MASS Spray System	\$19.3 million
Air Force Reserve (USAFR) Submitted MILCON Requirements:	
Airfield Control Tower/Base Ops, March, CA	\$16.39 million
RED HORSE Readiness and Training Facility, Charleston, SC	\$9.593 million
Unspecified Minor Construction—Reserve, Various Locations	\$5.434 million
Planning and Design—Reserve, Various Locations	\$2.2 million
Air Force Reserve (USAFR) Significant Major Item Shortages Submitted:	
(21) C-130 Large Aircraft Infrared Countermeasures (LAIRCOM)	\$63 million
(55) C-130 SLOS/BLOS Capability	\$20.7 million
(148) A-10/F-16 Mounted Cueing System (HMCS)	\$4.3 million
(4) Grissom R-12 Refuelers	\$0.9 million
(5) HC-130 Integrated EW suite (ALQ-213) with VECTS	\$3 million
Air National Guard (USANG):	
F-15 AESA—Continues to be a high priority for adds because it is too expensive to spend NGREA on. Some could be purchased if NGREA is significantly increased	Unknown
A-10 and F-16 HMIT	Unknown
KC-135 IRCM	Unknown
C-130 IRCM	Unknown
Guardian Angel (GA) Recovery Vehicles. This is also called "PJ recovery vehicles", but GA is the weapon system encompassing PJs, Special Tactics Squadrons, and Combat Controllers and they all need recovery vehicles	Unknown

UNFUNDED EQUIPMENT REQUIREMENTS—Continued

[The services and lists are not in priority order. Amounts are total cost, not individual. If item is preceded by a number in parentheses that is the quantity needed.]

	Amount
Air National Guard (USANG) Significant Major Item Shortages Submitted:	
(322) A-10/F-16 Helmet Mounted Integrated Targeting System	\$38.64 million
(77) Large Aircraft Infrared Countermeasures (LAIRCOM) (C-140, C-17, C-5)	\$431.2 million
(68,272) Security Force Mobility Bag Upgrades, Personal Protective Equipment (PPE), and Weapons	\$86.15 million
C-130 Loadmaster Lookout Windows and Crashworthy Loadmaster Seats	\$164 million
(30) F-15 Active Electronically Scanned Array (AESA) Radar	\$261.6 million
Army Active:	
Ground Combat Vehicle	Unknown
Mobile, Secure Wireless Network—Brigade Combat Team Modernization (BCTM)	Unknown
HMMWV Modernization	Unknown
CH-47 Chinook Helicopter	Unknown
AH-64 Apache Longbow Block III upgrade	Unknown
Army National Guard (USARNG) Significant Major Item Shortages Submitted:	
(30,442) Command Posts—Tactical Operations Center (TOC) & Standardized Integrated Command Post System (SICPS)	\$1.166 million
(5,428) Family of Medium Tactical Wheeled Vehicles	\$1.519 million
(11) Shadow Tactical Unmanned Aircraft Systems	\$297 million
(3,614) General Engineering Equipment—for homeland response missions	\$366.7 million
(290) Chemical/Biological protective Shelter	\$208.8 million
Army National Guard (USARNG) Top Equipment MOD and Capability Shortfall List:	
Army Battle Command System (ABCS)	Unknown
Air & Missile Defense Systems (Avenger Modernization)	Unknown
ATLAS (All Terrain Lifter-Army System I and II)	Unknown
Aviation Ground Support Equipment	Unknown
Aviation Systems (CH-47F, UH60 A-A-L Mod, UH-60M, AH64 MOD, LUH-72 MEP)	Unknown
Army Reserve (USAR) Significant Major Item Shortages Submitted:	
(34) Command Post System and Integration (SICPS)	\$6.8 million
(4,860) Medium Tactical Vehicles	\$1.701 billion
(63) HMMWV Ambulance	\$25.01 million
(4,541) Light Medium Tactical Truck Cargo	\$1.589 billion
(98) Heavy Scraper—for Horizontal Construction mission	\$30.58 million
Marine Corps Reserve (USMCR) Significant Major Item Shortages Submitted:	
(5) Light Armored Vehicle (LAV), 25 mm (LAV-25A2)	\$16 million
(5) LAV, Maint/Recovery (LAV-R)	\$11 million
(15) LAV, Logistics (LAV-L)	\$30 million
(3) LAV, Mortar (LAV-M)	\$7.5 million
(14) LAV, Anti-tank (LAV-AT)	\$44.8 million
Navy and Marine Corps Active ¹ :	
F-35 Joint Strike Fighter	Unknown
Attack Submarines	Unknown
LPD-17	Unknown
Navy Reserve (USNR) Significant Major Item Shortages Submitted:	
(5) C-40A	\$408.5 million
Naval Construction Force (NCF) Tactical Vehicles and Support Equipment Table of Allowances (TOA)	\$38 million
Navy Expeditionary Logistics Support Group (NAVELSG) TOA Equipment	\$75 million
Explosive Ordnance Disposal (EOD) TOA Equipment	\$58.89 million
Maritime Expeditionary Security Force (MESF) TOA Equipment	\$119 million

¹The Navy's fleet is the smallest it has been in almost 100 years. While the service has made plans to expand in the coming years; to 324 ships by 2021; funding doesn't support this growth. Shipbuilding costs continue on an exponential path and at the same time domestic shipbuilding yards are beginning to close, putting a larger fleet at risk; the ship building budget needs to be increased.

Reserve Components (RCs)

According to the National Guard and Reserve Equipment Report (NGRER) for fiscal year 2012 the aggregate equipment shortage for all of the RCs is about \$54.2 billion as compared to \$45 billion from last year. Common challenges for the RCs are ensuring that equipment is available for pre-mobilization training, transparency of equipment procurement and distribution, and maintenance.

CONCLUSION

A4AD is a working group of military and veteran associations looking beyond personnel issues to the broader issues of National Defense. This testimony is an overview, and expanded data on information within this document can be provided upon request.

Thank you for your ongoing support of the Nation, the Armed Services, and the fine young men and women who defend our country. Please contact us with any questions.

Chairman INOUE. Thank you very much, Captain Puzon.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, I want to join you in welcoming and thanking this panel of witnesses for being here today. We have a copy of the testimony and background information that our staff has provided us. It's a shame that we have such a pressurized situation that we're facing here with many commitments all during the same day and at the same time we're supposed to be here. I was just looking at my schedule to see where I was supposed to be right about now and it was somewhere else.

But that's something that you shouldn't have to suffer from, and that's why I wanted to simply say, because we are not spending 2 or 3 hours, which we probably ought to do, with this one panel because of the pressure of so many other activities and issues, we are forced to make decisions that are troublesome to us.

So, having said that, I'm going to yield to my good friend from Alabama for specific questions that he may have of this witness. But thank you very much for taking time to provide us with your testimony.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

Thank you for your testimony and also your complete written testimony. I think one of your strong statements is in the record. You say members of this group—that's your group—"are concerned that the U.S. defense policy is sacrificing future security for near-term readiness." That is a concern of all of us. We've got to balance that, because if we have near-term readiness where are we going to be in 10 years, 5 years, because we've been on the cutting edge a long time, and it's served us well and we cannot give this up.

The other point that you make in your written testimony, the Chinese navy is the fastest growing navy in the world today. I think we realize this on this Defense Appropriation Committee, and we've got to consider today, but we've also got to consider tomorrow, because if we're not prepared for tomorrow, as you pointed out, we've not served our country well, have we?

Captain PUZON. That's correct, sir. Thank you.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Dr. Jenkins.

STATEMENT OF DONALD H. JENKINS, M.D., VICE CHAIRMAN, NATIONAL TRAUMA INSTITUTE

Dr. JENKINS. Mr. Chairman, Vice Chairman Cochran, Senator Shelby: Thank you for the opportunity to testify today on behalf of the National Trauma Institute, or NTI, to urge the subcommittee to invest a greater amount of Department of Defense medical research funds in the primary conditions which kill our soldiers.

According to military medical officials, non-compressible hemorrhage is the leading cause of death among combatants whose deaths are considered potentially survivable. NTI believes an accelerated program of research into non-compressible hemorrhage will result in the first truly novel advances in treating this difficult problem, will save the lives of soldiers wounded in combat, and will have a tremendous impact on civilian casualties and costs as well.

I'm currently the Chief of Trauma for the Mayo Clinic and serve on the Defense Health Board. Prior to retiring from the United States Air Force, I was Chairman of General Surgery and Chief of Trauma at Wilford Hall Air Force Medical Center, the Air Force flagship medical facility. I'm here today in my capacity as Vice Chairman of the nonprofit National Trauma Institute, which was formed in 2006 by leaders of America's trauma organizations in response to frustration over lack of trauma research funding.

NTI advocates for trauma research and is a national coordinating center for trauma research and funding. Military officials estimate that 19 percent of combat deaths are potentially survivable. To put that in context of our current war operations, 1,100 warriors wounded in the current wars might have survived, but didn't because treatment strategies were lacking.

Over 84 percent of those deaths were due to hemorrhage and about 600 potentially survivable deaths resulted from hemorrhage in regions of the body, such as the neck, chest, abdomen, groin, and back, that couldn't be treated by tourniquets or compression. New tourniquets and hemostatic bandages have had major impact on the decline in trauma combat deaths due to extremity hemorrhage, but compression is rarely effective for penetrating wounds to the torso, where major vessels can be damaged, resulting in massive hemorrhage. At present such wounds are normally only treatable through surgery and typically such patients do not survive to reach the operating table.

Current combat casualty care guidelines for medics do not include strategies to stop bleeding from non-compressible hemorrhage, because there are none. There is not even a method to detect whether a soldier is bleeding internally or how much blood has been lost. It should be a priority to develop simple, rapid, and field-expedient techniques which can be used by medics on the battlefield or first responders in the civilian setting to detect and treat non-compressible hemorrhage.

Turning to that civilian context, trauma is responsible for over 60 percent of deaths of Americans under the age of 44. That's more than all other causes of death combined in that age group. It's responsible for the deaths of nearly 180,000 Americans and nearly 30 million injuries every year. And it's the second most expensive public health problem facing the United States. Hemorrhage is responsible for nearly 40 percent of deaths following traumatic injury in the civilian setting.

Advances in research can be applied to both military and civilian casualties. It has been proven repeatedly that medical research saves lives. In 1950 a diagnosis of leukemia was a death sentence. Research led to chemotherapy and treatments such as bone marrow transplant, such that today 90 percent of those patients survive. Imagine even a 5 percent decrease in trauma-related death,

injury, and economic burden. That would save the United States \$35 billion a year, prevent 1.5 million injuries, and save nearly 9,000 American lives every year.

NTI recommends the subcommittee fund research into the major cause of preventable death of our military and set aside at least \$15 million for peer-reviewed research into non-compressible hemorrhage for the fiscal year 2012 DOD appropriations bill.

Mr. Chairman, Senator Cochran, Senator Shelby, thank you for the opportunity to present the views of the National Trauma Institute.

[The statement follows:]

PREPARED STATEMENT OF DR. DONALD H. JENKINS

Mr. Chairman, Vice Chairman Cochran and Members of the Subcommittee: Thank you for the opportunity to testify today to urge the subcommittee to invest a greater amount of DOD medical research funds in the primary conditions which kill our soldiers. According to military medical officials, non-compressible hemorrhage is the leading cause of death among combatants whose deaths are considered "potentially survivable." The National Trauma Institute (NTI) believes an accelerated program of research into non-compressible hemorrhage will result in the first truly novel advances in treating this difficult problem, will save the lives of soldiers wounded in combat, and will have tremendous impact on civilian casualties and costs.

I am currently the Chief of Trauma for the Mayo Clinic and serve on the Defense Health Board. Prior to retiring from the Air Force in 2008, I was Director of the Joint Theater Trauma System, Chair of General Surgery and Chief of Trauma Services at Wilford Hall Medical Center, the Air Force's flagship medical facility. During my Air Force career, I also served as principal advisor to the Air Force Surgeon General on all surgery and trauma-related issues for first-strike deployable teams.

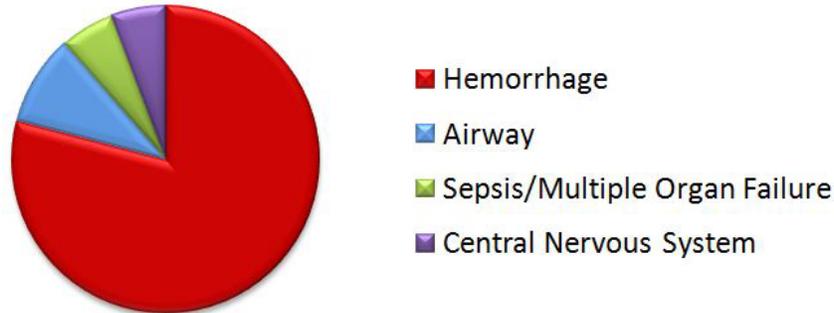
I am here today in my capacity as vice chairman of the nonprofit National Trauma Institute which was formed in 2006 by leaders of America's trauma organizations in response to frustration over lack of funding of trauma research. With the support and participation of the national trauma community, NTI advocates and manages funding for trauma research and is a national coordinating center for trauma research funding. Since September 2009, NTI has issued two national calls for proposals and has received a total of 177 pre-proposals from 32 States and the District of Columbia. After rigorous peer-review, the organization awarded \$3.9 million to 16 proposals—seven single-center studies and nine multi-center studies involving an additional 32 centers. Studies are ongoing, and NTI expects the first research outcomes within 6 months. However, \$3.9 million is a drop in the bucket, and these studies will barely begin to build the body of knowledge necessary for improved treatments and outcomes in the field of trauma in the United States.

NON COMPRESSIBLE HEMORRHAGE

According to military documents and officials, the major cause of death from combat wounds is hemorrhage. Nineteen percent of combat deaths are judged to be potentially survivable¹. In other words, 1,100 warriors wounded in Iraq or Afghanistan might have survived to come home to their loved ones, but didn't because treatment strategies were lacking. Over 900 (84 percent) deaths were due to hemorrhage, and 66 percent of these, about 600 potentially survivable deaths, resulted from hemorrhage in regions of the body such as the neck, chest, abdomen, groin, and back that couldn't be treated by a tourniquet or compression¹.

¹Kelly, J.F., Ritenour, A.E., McLaughlin, D.F., Bagg, K.A., Apodaca, A.N., Mallak, C.T., Pearse, L., Lawnick, M.M., Champion, H.R., Wade, C.E., and Holcomb, J.B. (2008) Injury severity and causes of death from Operation Iraqi Freedom and Operation Enduring Freedom: 2003-2004 versus 2006. *J Trauma* 64, S21-26.

Causes of Potentially Survivable Deaths OIF/OEF



Extremity wounds are amenable to compression to stop bleeding, and new tourniquets and hemostatic bandages have had a major impact on the decline in combat deaths due to extremity hemorrhage. But compression is rarely effective for penetrating wounds to the torso and major vessels can be damaged resulting in massive hemorrhage. At present, such wounds are normally only treatable through surgical intervention and typically such patients do not survive to reach the operating room.

Currently, there is no active intervention for noncompressible hemorrhage available to military medics, who along with civilian responders have only the tools their predecessors had in the early 20th century. There is not even a method to detect whether the wounded warrior is bleeding internally, and if so, how much blood has been lost. The current Tactical Combat Casualty Care guidelines for medics and corpsmen do not include strategies to stem bleeding from non-compressible hemorrhage because no solutions are available². NTI hopes to decrease the mortality of severely injured patients suffering from torso hemorrhage. This can only be accomplished through research into the development of simple, rapid and field-expedient techniques which can be used by medics on the battlefield or first responders in a civilian context to detect and treat non-compressible hemorrhage. Examples of current NTI research in non-compressible hemorrhage include:

- The use of ultrasonography to measure the diameter of the vena cava to determine whether this will give an accurate indication of low blood volume.
- An observational study to determine the incidence and prevalence of clotting abnormalities in severely injured patients and to study the complex biology of proteins to better understand, predict, diagnose and treat bleeding after trauma.
- Supplementation of hemorrhagic shock patients with vasopressin, a hormone needed to support high blood pressure. Vasopressin at high doses has been shown to improve blood pressure, decrease blood loss and improve survival in animal models with lethal blood loss. This study will investigate the use of vasopressin in trauma patients.

Another challenge in hemorrhage is resuscitation—the restoration of blood volume and pressure. Traditional resuscitation includes large volumes of intravenous fluids followed by blood and finally plasma. However, now this large intravenous fluid load is thought to worsen the trauma patient's coagulopathy (blood clotting problems), increasing bleeding. There is strong retrospective evidence that for patients requiring massive transfusion, a higher proportion of plasma and platelets, when compared to red cells, results in improved survival. Based on a 2004 research study³, the current Joint Theater Trauma Clinical Practice Guideline for Forward Surgical Teams and Combat Support Hospitals advocates a plasma, platelet, and red cell resuscitation regime in lieu of the standard intravenous fluids. Currently, there is no blood substitute available for in-theater use. The Army Medical Department/USA Institute of Surgical Research is working on a freeze dried plasma solution; however

²(2009) Tactical Combat Casualty Care Guidelines. <http://www.usaisr.amedd.army.mil/tccc/TCCC%20Guidelines%20091104.pdf>. Accessed June 2, 2011.

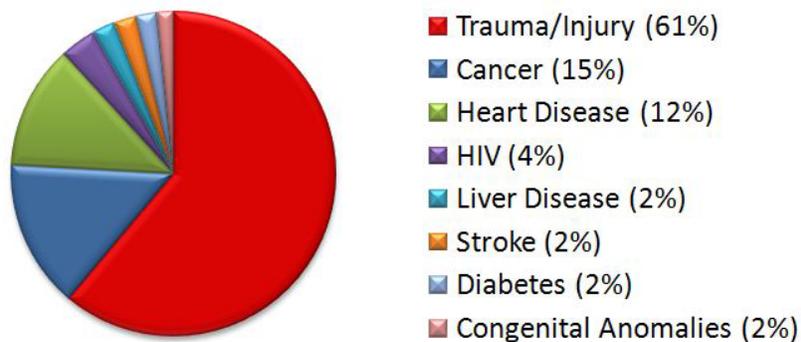
³Holcomb, J.B., Jenkins, D., Rhee, P., Johannigman, J., Mahoney, P., Mehta, S., Cox, E.D., Gehrke, M.J., Beilman, G.J., Schreiber, M., Flaherty, S.F., Grathwohl, K.W., Spinella, P.C., Perkins, J.G., Beekley, A.C., McMullin, N.R., Park, M.S., Gonzalez, E.A., Wade, C.E., Dubick, M.A., Schwab, C.W., Moore, F.A., Champion, H.R., Hoyt, D.B., and Hess, J.R. (2007) Damage Control Resuscitation: Directly Addressing the Early Coagulopathy of Trauma. *The Journal of Trauma* 62, 307–310.

this product has not yet received FDA approval. Remarkably, current treatments used by military medics for restoration of blood volume are very similar to those originally used in 1831 when saline was first given as an intravenous fluid to cholera patients⁴.

IMPACT OF TRAUMA ON UNITED STATES CIVILIANS

Traumatic injury is the cause of death of nearly every soldier in combat. On the civilian front, trauma/injury is responsible for over 61 percent of the deaths of Americans between the ages of 1 and 44 each year⁵. That's more than all forms of cancer, heart disease, HIV, liver disease, stroke and diabetes combined. An American dies every 3 minutes due to trauma. That's 179,000 deaths in addition to 29.6 million injuries every year⁵.

Top Eight Causes of Death in Americans Aged 1-44 Years



Trauma is the second most expensive public health problem facing the United States. Data from the Agency for Healthcare Research and Quality (AHRQ) on the 10 most expensive health conditions puts the annual medical costs from trauma at \$72 billion, second only to heart conditions at \$76 billion, and ahead of cancer and all other diseases⁶. The National Safety Council estimates the true economic burden to be more than \$690 billion per year, since trauma has an ongoing cost to society due to disability, and is the leading cause of years of productive life lost⁷.

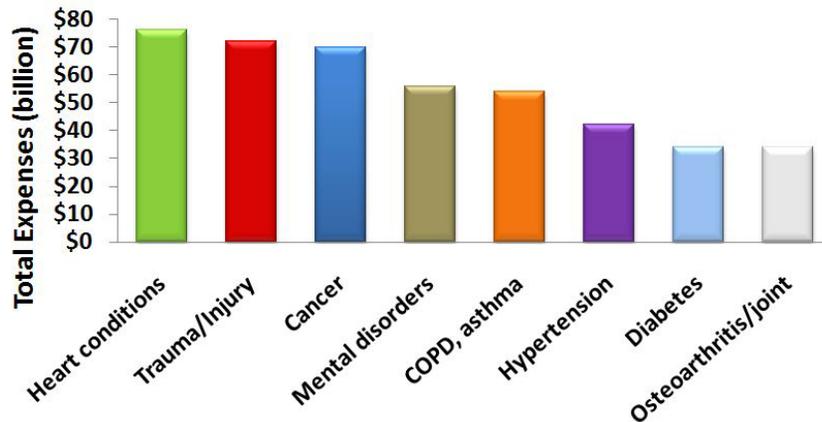
⁴Blackborne, L.H.C. (2011) 1831. The Army Department Medical Journal April–June 2011, 6–10.

⁵CDC (2006) Centers for Disease Control/WISQARS. http://webappa.cdc.gov/sasweb/ncipc/mortrate10_sy.html. Accessed March 16, 2011.

⁶AHRQ (2008) Big Money: Cost of 10 Most Expensive Health Conditions Near \$500 Billion. Agency for Healthcare Research and Quality <http://www.ahrq.gov/news/nn/nn012308.htm>. Accessed June 2, 2011.

⁷NSC (2011) Summary from Injury Facts, 2011 Edition. National Safety Council http://www.nsc.org/news_resources/injury_and_death_statistics/Documents/Summary%202011.pdf. Accessed March 16, 2011.

Eight Most Expensive Health Conditions in the U.S.



Advances in research can be applied to both military and civilian casualties. Many of the problems associated with hemorrhage of all kinds are potentially solvable and are transferable between military and civilian trauma care. The funding recommended by NTI could have a dramatic impact on civilian mortality in the U.S. Hemorrhage is responsible for 30 percent to 40 percent of deaths following a traumatic injury to civilians⁸.

WHY TRAUMA RESEARCH IS SO CHALLENGING

Trauma research is challenging for many reasons. Injury can be severe, and diagnosis of extent and location of injury can be difficult. Sometimes the patient is unconscious or unable to communicate, unable to give consent. Patients are often unaccompanied by next-of-kin to assist in decisionmaking. Enrolling patients in trauma studies sometimes requires community consent and involvement because treatments may need to be started en route to the hospital or military treatment facility. Placebos are not usually an option, because real treatment must be given to injured patients.

In trauma, there is no time to try different treatments, consider alternatives or have multiple appointments to discuss care. We must arm medical personnel with the tools they need to make the right decisions quickly. Lives can be saved. Focused clinical research will provide knowledge, tools and answers.

Often a single Level 1 Trauma Center can't recruit enough patients with specific enrollment criteria to conduct a statistically significant study that provides enough evidence to reach a conclusion that would alter clinical practice. Therefore large, multi-center studies are required, and these necessitate substantial funding. Due to limited funding, studies have often been narrow in size, sporadic, and/or conducted on the basis of a physician's personal interest, rather than a cohesive approach borne from a national trauma research agenda.

The majority of the funding added by Congress in fiscal year 2011 did not go to trauma-related research⁹. The Congressionally Directed Medical Research Program did fund some research into areas that cause a high degree of disability in wounded warriors returning home, such as orthopaedic, eye, ear, craniofacial, and traumatic brain injury. NTI urges the subcommittee to equally fund the major cause of preventable death of our soldiers, sailors, airmen and marines.

For fiscal year 2011, Congress added over \$700 million to the President's budget request for DOD medical research funding. Recognizing the need to reduce overall Federal spending, this sum is significantly less than Congress provided in fiscal year 2009 and fiscal year 2010 when over \$1 billion was added each year.

The National Trauma Institute believes that whatever additional sum Congress determines can be allocated to DOD medical research for fiscal year 2012 should be

⁸Holcomb, J.B. (2010) Optimal Use of Blood Products in Severely Injured Trauma Patients. *Hematology*, 465-469.

⁹(2011) H.R.1473.

directed more specifically to research of the traumatic medical conditions which most severely affect our soldiers.

RESEARCH WORKS

It has been proven repeatedly that medical research saves lives. For instance, in 1950 a diagnosis of leukemia was tantamount to a death sentence. Research led to chemotherapy treatments in the 1950s and bone marrow transplantations in the 1970s. A substantial investment in research has led to safer and more effective treatments, and today there is a 90 percent survival rate for leukemia¹⁰. Another example is breast cancer. Thirty years ago only 74 percent of women who were diagnosed lived for another 5 years. Due to research into early detection, chemotherapy and pharmaceuticals, the 10-year survival rate for breast cancer is now 98 percent¹¹.

Fifty years of dedicated research into proper diagnosis and treatment of leukemia has led to an 80 percent reduction in the death rate. Imagine even a 5 percent reduction in trauma deaths, injuries and economic burden—this would save the United States \$35 billion, prevent 1.5 million injuries, and save almost 9,000 lives every year.

Recommendation.—Hence NTI recommends that Congress set aside a major portion of DOD medical research funding—at least \$15 million—in the Defense Health Program account for a peer-reviewed research program to spur better technology to treat non-compressible hemorrhage.

Chairman INOUE. I thank you very much, Dr. Jenkins.

Senator COCHRAN. I may have missed it, but what specifically would you recommend that we do in terms of procedure or education requirements that would help address the problem that you've described in your testimony?

Dr. JENKINS. Yes, sir. Hemorrhage from the extremities has been treated with a number of devices that have been developed, invented specifically for use in combat, that have now been translated over into the civilian setting, so that EMS agencies carry tourniquets and hemostatic bandages. There is no such device if your liver or spleen is damaged in a traumatic event. The soldiers on the battlefield when injured, cared for by medics, the medic has no tools to treat that non-compressible hemorrhage except to get him to surgery as soon as possible. These soldiers have died awaiting the opportunity to get to surgery.

We need treatments that we can render to those soldiers on the battlefield, to those citizens in the field, by EMS agencies, so that we can stop that hemorrhage and stop that death.

Senator COCHRAN. Thank you very much.

Chairman INOUE. Thank you.

Senator Shelby.

Senator SHELBY. Mr. Chairman, just a quick observation and question. We've learned a lot and we've also, with helicopters and medical treatment, which have changed a lot. We've learned a lot since Vietnam, certainly since Korea, since the Second World War, and so forth. What is the basic survival rate in combat, heavy combat, now compared to, say, Vietnam, Korea? Do you have some statistics on that, because I know from what I have observed at Walter Reed and Bethesda and talking to a lot of veterans they probably wouldn't have survived, a lot of them, even in Vietnam, in the Second World War, Korea, and so forth.

¹⁰(2011) Research Successes. Leukemia and Lymphoma Society <http://www.lls.org/#/aboutlls/researchsuccesses/>. Accessed June 2, 2011.

¹¹(2011) Our Work. Susan G. Komen For the Cure <http://ww5.komen.org/AboutUs/OurWork.html>. Accessed June 2, 2011.

You're doing a lot better that way, but also they're facing great challenges. The sooner you get to them and the sooner they get medical help and sometimes get to the hospital, the better.

Have you got any comments on that? Am I right, on the right track here?

Dr. JENKINS. You are on the right track, sir. The Joint Trauma Registry keeps very specific data on this and keeps a rolling number that they look at. We look specifically at what one would call the case fatality rate, if injured the risk of dying.

Senator SHELBY. Can you furnish this to the subcommittee? You may have, but as I said earlier, I serve on another committee, subcommittee, dealing with the NIH and everything, and we're all interested in all of it. Right now we're focused on the military. But trauma is everywhere and what goes on in the military translates to others too, does it not?

Dr. JENKINS. Yes, sir. Survival is better because of advances in combat medicine, because of better body armor. We're at the point now where we have—we're looking specifically at casualties who should have survived had we only better tools and techniques to be able to get them to live through it.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman INOUE. Thank you, Dr. Jenkins.
Rear Admiral Coane.

**STATEMENT OF REAR ADMIRAL CASEY COANE, UNITED STATES NAVY
(RETIRED), EXECUTIVE DIRECTOR, ASSOCIATION FOR THE
UNITED STATES NAVY**

Admiral COANE. Mr. Chairman, Senator Cochran, Senator Shelby: The Association for the United States Navy is once again very pleased to have this opportunity to testify. Our association focuses its legislative activity on both personnel issues and the equipment necessary for the Navy and Navy Reserve to accomplish its missions. It is only through the attention of Congress and SUBcommittees such as yours that we can be sure that their needs are met.

We are grateful for this annual opportunity and, in a departure from many of my colleagues earlier this morning, I'm going to speak about equipping the Navy. The ships and aircraft of which I am speaking are vital to this war effort and directly support the thousands of Navy and other services' men and women serving on the ground in Iraq, Afghanistan, or other places ashore in operations worldwide, 53,000 sailors deployed today, including 5,300 mobilized reservists.

I have a few general statements and then I will address specific programs. We are pleased with the increased emphasis that the House and Senate have shown toward Navy shipbuilding in order to fulfil the Nation's maritime strategy. To meet those requirements, the Navy needs your support for the current shipbuilding plans. The Navy is behind on the 313-ship plan due to funding shortages and the only means to achieve a realistic plan is through this subcommittee's efforts.

As the current efforts in Iraq and Afghanistan wind down, the need for our Navy to protect our sea lines of communication, through which 90 percent of our commerce flows, will, as always, remain an issue of national security.

Regarding the Navy Reserve, the irreversible transition from a strategic reserve to an operational reserve with predictable and periodic mobilization increases the need for these Reserve components to be properly resourced for equipment. The recent comprehensive review on Reserve component report stresses the need to ensure that these components have both the equipment necessary to do the job and also the equipment necessary to train for the mission.

The Navy's 30-year aircraft program, the Naval Aviation Plan 2030, is well laid out and moving forward, but it still has significant challenges ahead in the areas of tactical fighters and logistics for out-CONUS operations. Aircraft programs of great concern are the C-40 replacement for the C-9s and the KC-130J tactical airlifters to replace the C-130s. Both of these aircraft are extensively used for intra-theater operations for Iraq, Afghanistan, and support Navy fleet movements worldwide, including disaster relief operations.

The issue is not just newer aircraft. The C-40As are Navy-unique fleet essential airlift, not VIP transport. The issue is that the current C-9 aircraft and C-20Gs have turned the maintenance expense curve to the extent that prudent business practices dictate replacement now. These aircraft in Hawaii, Fort Worth, and Maryland are scheduled to be decommissioned in fiscal year 2012 to 2014.

The Navy needs five to six more C-40s to finish the program and it needs some of them this year. Anything that this subcommittee could do to fund and accelerate that program, perhaps by utilization of the National Guard and Reserve equipment accounts, would be most beneficial to the Navy and the Navy Reserve.

The 30-year plan has the requirement for the replacement of the C-130Ts with the KC-130J aircraft. Currently this essential tactical intra-theater airlift is operating five aircraft short of requirement. Each year that the new aircraft is delayed will force the Navy to spend more money to upgrade worn-out aircraft to meet the new worldwide aviation equipment standards. We urge the committee to bring the KC-130J forward in the FYDP or by adding to the NGRE account.

The P-8 aircraft is an on-time, on-budget program to replace the P-3 aircraft, the backbone of the Navy's reconnaissance effort in theater, as well as the Navy's current anti-submarine and anti-shipping combat aircraft, as demonstrated recently in Libyan operations. Unfortunately, P-8 procurement was planned so far to the right that many, many P-3s are already grounded with broken wings. Anything that this subcommittee could do to accelerate that program, perhaps again by use of the NGRE accounts, would be most beneficial.

Again, the Association of the United States Navy thanks the subcommittee for their tireless efforts on behalf of the Navy and for providing this opportunity to be heard today.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL CASEY COANE

THE ASSOCIATION OF THE UNITED STATES NAVY

The Association of the United States Navy (AUSN) recently changed its name as of May 19, 2009. The association, formerly known as the Naval Reserve Association, traces its roots back to 1919 and is devoted solely to service to the Nation, Navy, the Navy Reserve and Navy Reserve officers and enlisted. It is the premier national education and professional organization for Active Duty Navy, Navy Reserve personnel, Veterans of the Navy, families of the Navy, and the Association Voice of the Navy and Navy Reserve.

Full membership is offered to all members of the U.S. Navy and Naval Reserve. Association members come from all ranks and components.

The Association has active duty, reserve, and veterans from all 50 States, U.S. Territories, Europe, and Asia. Forty-five percent of AUSN membership is active reservists, active duty, while the remaining 55 percent are made up of retirees, veterans, and involved DOD civilians. The National Headquarters is located at 1619 King Street Alexandria, Virginia. 703-548-5800.

Mister Chairman and distinguished members of the Committee, the Association of the United States Navy is very grateful to have the opportunity to testify.

Our transitioned VSO-MSO association works diligently to educate Congress, our members, and the public on Navy equipment, force structure, policy issues, personnel and family issues and Navy veterans.

I thank this Committee for the ongoing stewardship on the important issues of national defense and, especially, the reconstitution and support of the Navy during wartime. At a time of war, non-partisan leadership sets the example.

Your unwavering support for our deployed Service Members in Iraq and Afghanistan (of which over 14,000 Sailors are deployed at Sea in the AOR and over 10,000 are on the ground—Active and Reserve) and for the world-wide fight against terrorism is of crucial importance. Today's Sailors watch Congressional actions closely. AUSN would like to highlight some areas of emphasis.

As a Nation, we need to supply our service members with the critical equipment and support needed for individual training, unit training and combat as well as humanitarian and peacekeeping operations. Additionally, we must never forget the Navy families, reserve members and the employers of these unselfish volunteers—Active and Reserve.

In recent years, the Maritime Strategy has been highlighted, debated and disputed. We feel this is a time where the Total Navy force needs to be stabilized, strengthened, and be reconstituted—because of the consistent, constant, and increasing National Security crisis in a dangerous world—

- Piracy is on the rise in many areas of the world, and especially in the 5th Fleet AOR;
- The flow of commerce still remains a top priority for our economy;
- Naval engagement and support on the ground, in the air, and on the seas for OIF and OEF has not decreased;
- Ever increasing Middle East instability;
- Ballistic missile threats (N Korea-Iran) and the Navy requirement to be the front line of defense for missile defense threat;
- U.S. Navy response to natural disasters; tsunami, Haiti, Chile, and possible man made disasters (oil spill support);
- Humanitarian assistance in the Philippines, Indonesia, and American Samoa; and
- Ever increasing and changing Arctic issues.

In addition to equipment to accomplish assigned missions, the AUSN believes that the administration and Congress must make it a high priority to maintain, if not increase, but at least stabilize the end strengths of already overworked, and perhaps overstretched, military forces. This includes the Active Navy and the Navy Reserve.

- Reductions in manpower are generally resource driven within the Service, not because people are not needed, and the reductions of their benefits are resource driven.

Our current maritime history and strategy—requires that our Nation must achieve the 313+ Navy Ships, not decrease them, and there should be a balance between personnel end-strengths and equipment.

As proven in recent events (Libya, Piracy, Osama Bin Laden, OCO operations) Naval Special Operations, U.S. Carriers, submarines, and Naval Aviation are more relevant than ever—as proven by constant actions in Iraq and Afghanistan and ongoing operations in OIF-OEF and throughout Southwest Asia. Additionally—Navy weapon systems and personnel play a critical role in Natural disasters around the

world! Therefore, it is not a time—to cut back. Our adversaries are only waiting for the time for us to cut back or to stall. China is developing a peer Chinese Navy.

We must fund the Navy for proper shipbuilding and aviation programs which the House this year authorized funds to accomplish.

As you know, neither the Navy nor the Navy Reserve has ever been a garrisoned force—but, a deployed force. Nothing has changed in recent contingency operations or wars, except that the Navy's forces needs equipment as much as anyone. We have worn out current equipment and we need the manpower and infrastructure to ensure that current and future equipment stays ready.

We recognize that there are many issues and priorities that need to be addressed by this Committee and this Congress. The Association of the United States Navy supports the Navy's fiscal year 2012 budget submission and the past years Unfunded Programs List provided by the Chief of Naval Operations that addressed an increased shipbuilding and increase aircraft procurement to relieve the documented shortages and maintenance requirements.

Overwhelmingly, we have heard Service Chiefs, Reserve Chiefs and Senior Enlisted Advisors discuss the need and requirement for more equipment and unit equipment for training in order to be ready as well as combat equipment in the field. Navy needs to have equipment and unit cohesion to keep personnel trained. This means—Navy equipment and Navy Reserve equipment with units.

Equipment Ownership

Issue: Sharing of equipment has been done in the past. However, nothing could be more of a personnel readiness issue and is ill advised. This issue needs to be addressed if the current National Security Strategy is to succeed.

Position: The overwhelming majority of Navy and Navy Reserve members join to have hands-on experience on equipment. The training and personnel readiness of members depends on constant hands-on equipment exposure. History shows, this can only be accomplished through appropriate equipment, since the training cycles are rarely if ever—synchronized with the training or exercise times or deployment times. Additionally, historical records show that units with unit hardware maintain equipment at higher than average material and often have better training readiness. This is especially true with Navy Reserve units. Current and future warfighting requirements will need these highly qualified units when the Combatant Commanders require fully ready units.

Navy has proven its readiness. The personnel readiness, retention, and training of all members will depend on them having equipment that they can utilize, maintain, train on, and deploy with when called upon. AUSN recommends the Committee strengthen the Navy equipment appropriation as the House has done in the fiscal year 2012 NDAA in order to maintain optimally qualified and trained Navy and Navy Reserve forces.

Equipment Needs and Request

AUSN respects the tremendous pressure on the U.S. budget. However, the Navy and the Navy Reserve where a deployed force prior to September 11, 2001 and the Navy and the Navy Reserve will remain a deployed force for foreseeable future. Therefore we request that you give strong consideration to: Funding one C-40A in the fiscal year 2012 appropriations bill for replacement of aged aircraft in Maryland and Hawaii; fund two C-130J aircraft for Navy and Navy Reserve in the fiscal year 2012 appropriations bill; and ensure the proper lead funding is available to maintain TACAIR aircraft for 11 Carrier Air Wings.

Manpower issues—Pay, and End-strength

Pay needs to be competitive. If pay is too low, or expenses too high, a service member knows that time may be better invested elsewhere.

The current discussions about changes in retirement and increases in healthcare is woefully inappropriate when the Nation considers what service members, Navy members, are doing in defense of this Nation, and in support of natural disasters. The risks and sacrifices of every service member, to defend this great Nation, make it illogical to formulate a policy change in retirement pay for military when they sacrifice so much. It just does not make common sense.

End-strength is the core of any service accomplishing the mission. Navy and Navy Reserve has taken a fair share of budget driven end-strength cuts in the previous 10 years. It is time to stop the cuts and ensure that we have the right number of people to conduct operations.

Care must be taken that the current tremendous reservoir of operational capability be maintained and not lost due to resource shortages. Officers, Chief Petty Officers, and Petty Officers need to exercise leadership and professional competence to maintain their capabilities. In the current environment of Navy Individual

Augmentee in support of ground forces, there is a risk that Navy mid-grade leadership will not be able to flourish due to the extended ground war of OIF and OEF. Having the right equipment is critical to our Maritime Strategy.

In summary, we believe the Committee needs to address the following issues for Navy and Navy Reserve in the best interest of our National Security:

- Fund one C-40A for the Navy, per the past years documented request;
- Navy must replace the C-9s and replace the C-20Gs in Hawaii and Maryland.
- Fund the FA-18 E/F and FA-18 E/F Growlers per the House fiscal year 2011 NDAA and include unit assets for Navy Reserve units currently in EA-6B aircraft.
- Fund the Navy Ships provided for in the House fiscal year 2012 NDAA.
- Just as other services are having difficulties with intra theater C-130 assets, the Navy needs to replace their C-130 aircraft with C-130J for the Navy and Navy Reserve.
- Request you fund 2 C-130J Aircraft for Navy Reserve for combat support for Navy and Navy Reserve assets in theater operations for OCO.
- Increase funding for Naval Reserve equipment in NGREA
- Increase Navy Reserve NGREA by \$100 million
- Naval Expeditionary Combat Equipment
- Ensure proper lead funding for TACAIR Navy Aircraft.

For the foreseeable future, we must be realistic about what the unintended consequences are from a high rate of usage. History shows that an Active force and Reserve force are needed for any country to adequately meet its defense requirements, and to enable success in offensive operations. Our Active Duty Navy and the current operational Reserve members are pleased to be making a significant contribution to the Nation's defense as operational forces; however, the reality is that the added stress on Active Navy and the Reserve could pose long term consequences for our country in recruiting, retention, family and employer support. In a time of budget cut discussions, this is not the time to cut end-strengths on an already stressed force. We have already been down this road previously. This issue deserves your attention in pay, maintaining end-strengths, proper equipment, Family Support Programs, Transition Assistance Programs and for the Employer Support for the Guard and Reserve programs.

Thank you for your ongoing support of the Nation, the Armed Services, the United States Navy, the United States Navy Reserve, their families, and Navy veterans, and the fine men and women who defend our country.

Chairman INOUE. Thank you very much, Rear Admiral Coane. Senator Cochran.

Senator COCHRAN. Mr. Chairman, I was wondering about our other witness at the table here. We're to ask you questions now?

Let me ask you. If the funding is added as you request, is this going to be additional funding that we'll have to come up with over and above the allocation of the subcommittee, or do you recommend any offsets in funding that would have to be undertaken?

Admiral COANE. No, sir. I'm concerned—we have—in this year's budget there's one C-40, but in the 2012, 2013, and 2014 budgets those have been zeroed out. The Navy's program is to buy 17 of them. There are still five more they've got to have. As I mentioned, the C-20Gs are falling off the table, literally.

So this is additional National Guard and Reserve equipment funding that we're suggesting. The unfunded list, as has been mentioned before, for the Navy is virtually nonexistent. That's not because they don't need things. That's because of DOD policy. So we need to look further into supporting these aircraft.

The C-20Gs in Hawaii and the ones here at Andrews have flown thousands of hours beyond what Gulfstream ever intended those airplanes to fly, because they were built as corporate jets. The Navy operates them with cargo doors, but they're used up and they're going to just simply go away. We've got to replace that asset.

Senator SHELBY. Do we run the risk of having accidents and failures if we don't replace those with other assets?

Admiral COANE. Senator, I'm careful. I had a 34-year career in the airline world as well as an aviator, so I'm very careful to talk about—are we running the risk? Well, flying aircraft is always a risk-reward or risk-benefit business. Any time we get airborne, as you know, there's risk involved. Does the risk go up on the aircraft? I would say that our military people manage the aging of the aircraft. What goes up is the expense of operating the aircraft. In the case of broken-wing P-3s, they're simply worn out and you can't do anything about it.

So I wouldn't suggest to you that—I wouldn't ring the safety bell and say that our military won't continue to be safe, because they're good at that. But the financial obligation—when an aircraft turns the maintenance curve, the dollars go significantly higher very, very quickly. Our C-9s and our C-20s and the C-130Ts are at that point.

Senator COCHRAN. Thank you very much for your perspective. I think that's very helpful to our subcommittee.

Admiral COANE. Yes, sir.

Senator COCHRAN. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I'll try to be brief here. The Admiral here has gotten my attention on some things, and I'm sure the subcommittee.

The survivability rate—well, the death rate of hemorrhage—hemorrhage is a big cause of death, right, battlefield, hemorrhaging?

Admiral COANE. Senator, are you referring to my colleague here to my right?

Senator SHELBY. Yes, hemorrhaging; is that right, on the battlefield?

Dr. JENKINS. Yes, sir.

Senator SHELBY. So what they're trying to do, you're trying to get into research whether you can deal with wounds to the torso, the neck, the blood vessels, all of this, because if you can do that you'll save lives, right?

Dr. JENKINS. Yes, sir, precisely correct.

Senator SHELBY. But a lot of that is—you're using, a lot of it's the same treatment we've used for years. We haven't had a super-breakthrough there, have we?

Dr. JENKINS. And that's directly related to the lack of research funding and why NTI exists, sir, yes, sir.

Senator SHELBY. Thank you.

Chairman INOUE. Thank you very much.

Ms. Goralesski.

STATEMENT OF KAREN A. GORALESKI, EXECUTIVE DIRECTOR, AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE

Ms. GORALESKI. Chairman Inouye, Ranking Member Cochran, Senator Shelby, and subcommittee staff: My name is Karen Goralesski and I am the Executive Director of the American Society of Tropical Medicine and Hygiene. Thank you for the privilege of testifying before you today. We are the principal professional mem-

bership organization of scientists, physicians, clinicians, epidemiologists, and program professionals dedicated to the prevention and control of tropical diseases.

We are here today to request that the subcommittee expand funding for the DOD's efforts to develop new preventions, treatments, vaccines, and diagnostics that will prevent—that will protect our service members and other Americans from tropical diseases and at the same time will reduce premature deaths and disability in the developing world.

The central public policy priority of the Society is to reduce the burden of infectious disease in the developing world, areas of the world where many of our military serve. Many of our top health concerns align with the superbly executed and longstanding DOD research on tropical diseases and on what are also called the neglected tropical diseases. Mission success and readiness will be hampered without sustained efforts to reduce these no longer so-called "exotic" health threats.

Infectious disease is the ever-present enemy. The drugs and preventive measures used in earlier conflicts in tropical regions no longer are as reliable as they once were. Therefore, our task list for new and effective tools must not only focus on today, but on tomorrow.

There are three particular DOD facilities working to strengthen mission readiness and success: The Army Medical Research Institute for Infectious Diseases, the Walter Reed Army Institute for Research, and the U.S. Naval Medical Research Center.

First, USAMRIID. Its mission is to protect our military from biological threats. Through its biosafety levels 3 and 4 labs and its world-class highly trained personnel, they are in the business of generating countermeasures to biological threats to our country. Like each of these facilities, their work delivers a return on investment that extends beyond our military to citizens.

Next is WRAIR. A large part of the DOD investment in infectious disease research and development is facilitated through WRAIR. In addition to DOD funding, WRAIR has advanced infectious disease research and provided cost-effective solutions, in part by working smart through domestic and international public-private partnerships. Their portfolio includes work on a malaria vaccine and efforts to control its transmission, as well as that of other vector-borne diseases, drug developments for leishmaniasis, enteric disease research, and HIV/AIDS research.

Through its collaborative efforts, WRAIR has developed several exciting vaccine candidates, including one that recently began the ever-large phase 3 trial for a malaria vaccine, RTSS. Is this encouraging? Yes. Do we need to find out more? Yes.

Last, NMRC. The premier research facility includes a focus on malaria, enteric diseases, causes of traveler's diarrhea, dengue fever, now seen in southern Florida, and scrub typhus. In addition to its work accomplished in the United States, the Navy's three overseas medical research laboratories located in Peru, Egypt, and Indonesia offer outstanding scientific collaborations and equally productive relationships with their governments that in turn help the United States.

In closing, all three facilities offer state-of-the-art technologies to protect our troops and can save millions of lives of people around the world. Closer to home, they also provide good-paying, quality jobs to American scientists, lab personnel, and ancillary businesses. ASTMH is confident that increased support for efforts to reduce these global and in some instances U.S. health threats is the smart thing to do for America and the right thing to do for the world.

Thank you for this opportunity. The Society stands ready to serve as an expert resource to you. We are all in this together.

[The statement follows:]

PREPARED STATEMENT OF KAREN A. GORALESKI

EXECUTIVE SUMMARY

The American Society of Tropical Medicine and Hygiene (ASTMH)—the principal professional membership organization representing, educating, and supporting scientists, physicians, clinicians, researchers, epidemiologists, and other health professionals dedicated to the prevention and control of tropical diseases—appreciates the opportunity to submit written testimony to Senate Defense Appropriations Subcommittee.

The central public policy priority of ASTMH is reducing the burden of infectious disease in the developing world. To that end, we advocate implementation and funding of Federal programs that address the research, prevention, and control of infectious diseases that are leading causes of death and disability in the developing world, and which pose threats to U.S. citizens. Many of our current priorities overlap with the excellent and long-standing tropical medicine and neglected disease research work being done within the Department of Defense, including malaria and other vector-borne diseases; tropical diseases such as dengue fever and leishmaniasis; and enteric diseases.

Because U.S. servicemen and women are often deployed to tropical regions endemic to tropical diseases, reducing the risk that these diseases present to servicemen and women is often critical to mission success. Our military has long taken a primary role in the development of treatments for tropical diseases, such as anti-malarial drugs. As a result of this investment and the innovation employed by these military scientists, they have developed many of the most effective and widely used treatments for these diseases.

For this reason, we respectfully request that the Subcommittee expand funding for the Department of Defense's longstanding and successful efforts to develop new drugs, vaccines, and diagnostics designed to protect service members from malaria and tropical diseases. Specifically, ASTMH requests that increased funding be allocated to the Army Medical Research Institute for Infectious Diseases (USAMRIID), the Walter Reed Army Institute of Research (WRAIR), and the U.S. Naval Medical Research Center (UNMC), who work closely together to maximize and ensure the most efficient research portfolios.

UNITED STATES ARMY MEDICAL RESEARCH INSTITUTE FOR INFECTIOUS DISEASES

USAMRIID's mission includes advancing research to develop medical solutions—vaccines, drugs, diagnostics, and information—to protect our military service members from biological threats. USAMRIID has Biosafety Level 3 and Level 4 laboratories and world-class expertise in the generation of countermeasures for biological threats playing a critical role in the status of our country's preparedness for biological terrorism and biological warfare. While their primary mission is to protect the service members, like each of the research facilities, their important work benefits civilians as well.

WALTER REED ARMY INSTITUTE OF RESEARCH

A large part of DOD investments in infectious disease research and development are facilitated through WRAIR, which since fiscal year 2007 has performed more than \$250 million in DOD research. Through critical public private partnerships with companies such as GSK and Sanofi, as well as nonprofits such as the Gates Foundation and Medicines for Malaria Venture, WRAIR invests in malaria vaccine and drug development, drug development for leishmaniasis, enteric disease research, vector control for malaria and other vector-borne infections, and HIV/AIDS research and treatment. While each of these investments is crucial to the protection

of U.S. troops abroad, WRAIR is also a partner to the global health community in saving the lives of some of the world's poorest people suffering from some of the most neglected diseases.

WRAIR has research laboratories around the globe, including a public health reference laboratory in The Republic of Georgia; dengue fever clinical trials in the Philippines; malaria clinical studies and Global Emerging Infectious Surveillance in Kenya; military entomology network field sites in Thailand, the Philippines, Nepal, Cambodia, Korea, Kenya, Ethiopia, Egypt, Libya, Ghana, Liberia and Peru; as well as several other coordination efforts with national health ministries and defense units. This diversity in research capacity puts WRAIR in the unique position to be a leader in research and development for tropical diseases—research that will aid our military men and women as well as people living in these disease-endemic countries.

UNITED STATES NAVAL MEDICAL RESEARCH CENTER

NMRC is a premier medical and health research organization whose focus includes tropical medicine and infectious disease. The Infectious Disease Directorate (IDD) of NMRC focuses on malaria, enteric diseases, and viral rickettsial diseases. IDD has an annual budget exceeding \$10 million and conducts research on infectious diseases that are considered to be a significant threat to our deployed sailors, marines, soldiers and airmen. Their current research efforts are focused on malaria, bacterial causes of traveler's diarrhea, dengue fever, and scrub typhus with particular emphasis on vaccine discovery and testing. The research is enhanced by IDD's close working relationship with the Navy's three overseas medical research laboratories located in Peru, Egypt, and Indonesia. These laboratories also afford diplomatic advancement through the close working relationships they have developed with governments and citizens of those countries.

TROPICAL MEDICINE AND TROPICAL DISEASES

The term "tropical medicine" refers to the wide-ranging clinical, research, and educational efforts of physicians, scientists, and public health officials with a focus on the diagnosis, mitigation, prevention, and treatment of vector borne diseases prevalent in the areas of the world with a tropical climate. Most tropical diseases are located in either sub-Saharan Africa, parts of Asia (including the Indian sub-continent), or Central and South America. Many of the world's developing nations are located in these areas; thus tropical medicine tends to focus on diseases that impact the world's most impoverished individuals.

U.S. troops are currently deployed or likely to be deployed in many of these same tropical areas. U.S. citizens, working, traveling and vacationing overseas are similarly impacted by these same tropical diseases, many of which have been ignored and neglected for decades. Furthermore, some of the agents responsible for these diseases could be introduced and become established in the United States (as was the case with West Nile virus), or might even be weaponized.

The United States has a long history of leading the fight against tropical diseases which cause human suffering and pose a great financial burden that can negatively impact a country's economic and political stability. The benefits of U.S. investment in tropical diseases extend beyond economics and humanitarianism and into diplomacy as well.

MALARIA—A FORMIDABLE FOE FOR U.S. MILITARY OPERATIONS

Service members deployed by the U.S. military comprise a majority of the healthy adults traveling each year to malarial regions on behalf of the U.S. Government. Malaria has long been a threat to U.S. military deployment success. In fact, more person-days were lost among U.S. military personnel due to malaria than to bullets during every military campaign fought in malaria-endemic regions during the 20th century. For this reason, the U.S. military has long taken a primary role in the development of anti-malarial drugs, and nearly all of the most effective and widely used anti-malarials were developed in part by U.S. military researchers. Drugs that have saved countless lives throughout the world were originally developed by the U.S. military to protect troops serving in tropical regions during WWII, the Korean War, and the Vietnam War.

In recent years the broader international community has increased its efforts to reduce the impact of malaria in the developing world, particularly by reducing childhood malaria mortality, and the U.S. military plays an important role in this broad partnership. However, military malaria researchers at NMRC and WRAIR are working practically alone in the area most directly related to U.S. national security: drugs and vaccines designed to protect or treat healthy adults with no developed

resistance to malaria who travel to regions endemic to the disease. NMRC and WRAIR are working on the development of a malaria vaccine and on malaria diagnostics and other drugs to treat malaria—an especially essential investment as current malaria drugs face their first signs of drug resistance.

The malaria parasite demonstrates a notorious and consistent ability to quickly develop resistance to new drugs. The latest generation of medicines is increasingly facing drug-resistance. Malaria parasites in Southeast Asia have already shown resistance to mefloquine; resistant strains of the parasite have also been identified in West Africa and South America. There are early indications that parasite populations in Southeast Asia may already be developing limited resistance to artemisinin, currently the most powerful anti-malarial available. Further, the most deadly variant of malaria—*Plasmodium falciparum*—is believed by the World Health Organization to have become resistant to “nearly all anti-malarials in current use.”

Resistance is not yet universal among the global *Plasmodium falciparum* population, with parasites in a given geographic area having developed resistance to some drugs and not others. However, the sheer speed with which the parasite is developing resistance to mefloquine and artemisinin—drugs developed in the 1970s—bodes of a crisis of such significance that military malaria researchers cannot afford to rest on their laurels.

WRAIR, in concert with multiple organizations including the CDC and vaccine manufacturers, has developed several exciting vaccine candidates, including one that recently began the first ever large-scale Phase 3 trial for a malaria vaccine, (RTS,S). In earlier trials, the vaccine has been shown to decrease clinical episodes of malaria by over 50 percent in children in Africa. Despite these advances, the vaccine might be unsuitable for deploying personnel and travelers, because of its efficacy level. As a result, there is still a significant need for continued funding for ongoing research.

Developing new antimalarials as quickly as the parasite becomes resistant to existing ones is an extraordinary challenge, and one that requires significant resources, especially as U.S. military operations in malaria-endemic countries increase. Without new anti-malarials to replace existing drugs as they become obsolete, military operations could be halted in their tracks by malaria. The recent malaria outbreak affecting 80 of 220 Marines in Liberia in 2003 serves as an ominous reminder of the impact of malaria on military operations. Humanitarian missions also place Americans at risk of malaria as evidenced by several Americans contracting malaria while supporting Haitian earthquake relief efforts.

TROPICAL DISEASE IMPACT ON MILITARY OPERATIONS

Few other U.S. Government agencies devote as much time, funding, manpower, and direct research to tackling these devastating diseases as the DOD. The work ultimately goes beyond protecting soldiers and benefits the people living in the countries where these diseases cause the most harm. The recent success of the RTS, S malaria vaccine and its advancement to Phase 3 trials is just one success story from this program. DOD also does great research for other tropical diseases including leishmaniasis and dengue fever, two potentially deadly diseases of great risk to our troops and even greater risk to the citizens of these disease endemic regions.

Leishmaniasis is a vector borne disease that is caused by the parasite leishmania. It is transmitted through the bite of the female phlebotomine sandfly. Leishmaniasis comes in several forms, the most serious of which is visceral leishmaniasis, which affects internal organs and can be deadly if left untreated.

According to the WHO, over 350 million people are at risk of leishmaniasis in 88 countries around the world. It is estimated that 12 million people are currently infected with leishmaniasis and 2 million new infections occur annually. Coinfection of leishmaniasis and HIV is becoming increasingly common, and WHO notes that because of a weakened immune system leishmaniasis can lead to an accelerated onset of AIDS in HIV-positive patients.

Because of leishmaniasis' prevalence in Iraq, the DOD has spent significant time and resources on the development of drugs and new tools for the treatment of leishmaniasis. As more troops return from Iraq and Afghanistan, it is likely DOD will see an increase in leishmaniasis cases in our soldiers. WRAIR discovered and developed Sitamaquine, a drug that once completed, will be an oral treatment for leishmaniasis. While essential for the safety of our servicemen and women abroad, these types of innovations will also be extremely beneficial to the at risk populations world wide that are living in leishmaniasis endemic countries.

Dengue fever, according to the WHO is the most common of all mosquito-borne viral infections. About 2.5 billion people live in places where dengue infection is pos-

sible and last year we saw a few cases pop up in the United States. There are four different viruses that can cause dengue infections. While infection from one of the four viruses will leave a person immune to that strain of the virus, it does not prevent them from contracting the other three, and subsequent infections can often be more serious.

The DOD has seen about 28 cases of dengue in soldiers per year. While none of these cases resulted in the death of a soldier, hospitalization time is lengthy. Currently, there are several research and development efforts underway within the department of defense both for treatments and vaccines for dengue.

U.S. GOVERNMENT ACTION IS NEEDED FOR MISSION READINESS

The role of infectious disease in the success or failure of military operations is often overlooked. Even a cursory review of U.S. and world military history, however, underscores that the need to keep military personnel safe from infectious disease is critical to mission success. The drugs and prophylaxis used to keep our men and women safe from malaria and tropical diseases during previous conflicts in tropical regions are no longer reliable. Ensuring the safety of those men and women in future conflicts and deployments will require research on new tools. Additional funds and a greater commitment from the Federal Government are necessary to make progress in malaria and tropical disease prevention, treatment, and control.

ASTMH feels strongly that increased support for efforts to reduce this threat is warranted. A more substantial investment will help to protect American soldiers and potentially save the lives of millions of individuals around the world. We appreciate the opportunity to share our views in our testimony, and please be assured that ASTMH stands ready to serve as a resource on this and any other tropical disease policy matters.

Thank you for your attention to this matter.

Chairman INOUE. I thank you very much, Ms. Goralesski.

Senator Cochran.

Senator COCHRAN. Ms. Goralesski, how close do you think we are to developing a new vaccine or a more effective vaccine against malaria? It seems to be a big threat.

Ms. GORALESKI. We are at a very positive place in terms of a malaria vaccine. We're just starting that phase 3 clinical trial. We're very hopeful.

Chairman INOUE. Thank you very much.

Senator Shelby.

Senator SHELBY. Besides malaria, what are, say, one or two of the most challenging tropical diseases? I know there are many out there.

Ms. GORALESKI. The parasitic diseases are very, very challenging. Sandflies transmit leishmaniasis. We also have other parasites that are equally debilitating and often hard to diagnose at first and then can last for decades.

Senator SHELBY. Thank you.

Chairman INOUE. I thank the panel very much.

Now may I call upon: Major General Gus Hargett, National Guard Association of the United States; Mr. Dale Lumme, Navy League of the United States; Mr. John R. Davis, Fleet Reserve Association; Ms. Susan Leighton, Ovarian Cancer National Alliance.

May I call upon Major General Hargett.

STATEMENT OF MAJOR GENERAL GUS HARGETT, UNITED STATES ARMY (RETIRED), PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General HARGETT. Mr. Chairman, thank you for the opportunity to testify on behalf of the 470,000 national guardsmen across the country, our citizen soldiers and airmen.

As our Nation struggles with how to get its financial house in order, I propose we give a hard look at how we could leverage the cost efficiencies inherent in the National Guard to reduce defense costs without reducing capabilities. Every day soldiers and airmen of the National Guard are serving across the Nation and around the world in more places than any component of the armed forces, and they do it for a fraction of the cost. To best meet its Federal and State missions, the National Guard must be resourced adequately and proportionately, increasing National Guard personnel end strength and ensuring the force has the equipment and resources needed to provide more capabilities at a lower cost to the taxpayer.

Our National Guard has been an integral part of the war fight. Hundreds of thousands of Army national guardsmen have deployed overseas since September the 11th, many serving multiple deployments. We have a battle-proven operational force and it would be a disservice for our National Guard to revert back to pre-9-11 levels of equipment, readiness, and training.

It has been estimated that the annual requirement for the Army Guard to maintain its current operational level is \$400 million. While DOD has asked more and more of our National Guard, the funding requests for the Guard have not kept pace. Thankfully, Congress has helped bridge the gap. Since 1982 Congress has provided valuable funding through the National Guard and Reserve equipment account, enabling both the Army and Air Guard to procure more needed equipment and provide essential modernization upgrades. With this funding, the Army Guard has been able to significantly close the gap on many of its unfunded requirements. It has enabled units across the Nation to go from 40 percent of its required dual use equipment on hand just a few years ago to nearly 75 percent today. While the Army Guard has made significant progress in recent years, the need for equipment, additional equipment, remains.

The Air Guard also continues to use NGREA funding for vital modernization efforts and domestic operation requirements. Along with NGREA, Congress has been instrumental in other modernization efforts for the Air Guard. This subcommittee has led the way in funding the active electronic scanned array radar, or AESAR, for the Air Guard F-15s. However, even with the progress made to date, there remains a shortfall in funding of \$52.8 million to complete this program.

Without adequate funding from NGREA and other sources, the Air Guard will be unable to modernize fighter and mobility legacy platforms. The Air Guard must remain an equal and effective partner in all fielding modernization, to include the C-130Js, C-27s, F-35s, the KC-45.

While equipment funding is vital, the true strength of the National Guard is its people. An unrivaled blend of civilian and military skills ensures that our National Guard members are effective when conducting missions abroad and at home. The National Guard State Partnership Program, the Agricultural Development Teams, and the Southwest Border Missions are shining examples of the unique skill set of our National Guard men and women. However, the current budget request creates a shortfall of \$12 mil-

lion for the State Partnership Program and \$75 million for the counterdrug program.

In conclusion, as America's first military organization, the National Guard has proven for 375 years that it is right for America. Drawing on the experience of the last 10 years of the war fight, we are convinced that the National Guard will emerge as a more cost effective and more mission-capable force into the future.

Thank you for the opportunity to testify today on behalf of our Guard men and women.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL GUS HARGETT

The National Guard Association of the United States is a nonpartisan organization representing nearly 45,000 current and former Army and Air National Guard officers. Formed in 1878, NGAUS is focused on procuring better equipment, standardized training and a more combat-ready force by petitioning Congress for resources. Well over a century later, NGAUS has the same mission.

Our goal is to maintain the freedom and security of this Nation by guaranteeing a strong national defense through the provision of a vital, dynamic National Guard as a part of the Total Force.

THE NATIONAL GUARD—"RIGHT FOR AMERICA"

"A National Guard in balance is one that adds value to America. It is structured and resourced with adaptive and innovative citizen Soldiers and Airmen, ready to provide global security and assistance. A National Guard in balance works as a critical interagency partner at the local, State and Federal levels . . . anytime, anywhere."—General Craig R. McKinley, Chief, National Guard Bureau

Following the Vietnam war, General Creighton Abrams was determined to establish a clear linkage between the employment of the Army and the engagement of public support for military operations. General Abrams reasoned that by creating a force structure that integrated Reserve and Active Components so closely as to make them inextricable would ensure Presidents would never again send the Army to war without the Reserves and the commitment of the American people.

Today, with locations in more than 3,300 communities across the Nation, the National Guard provides an indispensable link between the military and the citizens of our great Nation.

The key to National Guard efficiency is the predominantly part-time (traditional) force that can mobilize quickly for combat operations, or respond when needed for disaster response or homeland defense.

Unless activated for combat service, fully trained traditional National Guard members cost approximately 25 percent of their Active counterparts. National Guard efficiencies compared to regular military components include: fewer "pay days" per year, lower medical costs, significantly lower training costs beyond initial qualification training, virtually no costs for relocating families and household goods to new duty assignments every 3 or 4 years, fewer entitlements such as basic allowance for housing, lower base support costs in terms of services and facilities including commissaries, base housing, base exchanges, and child care facilities.

On average, 17 United States Governors call out their National Guard each day to protect life or property, and the Guard responds immediately, effectively, appropriately, and in-force.

The Air National Guard (ANG) has 106,700 personnel and provides 33 percent of the Total Air Force capabilities for less than 7 percent of the Total Force Defense Budget including: 100 percent of the Air Force's air defense interceptor force, 33 percent of the general purpose fighter force, 45 percent of the tactical airlift and 6 percent of the special operations capability, 43 percent of the air refueling KC-135 tankers, 28 percent of the rescue and recovery capability, 23 percent of tactical air support forces, 10 percent of the bomber force and 8 percent of the strategic airlift forces. Additionally, Air Guard members provide a wide variety of support missions to include: security, medical support, civil engineering, air refueling, strike, airlift, and Intelligence, Surveillance, and Reconnaissance (ISR).

The Army National Guard has 358,200 personnel and provides 32 percent of the Total Army end-strength for only 11 percent of the Total Army Defense Budget. By the end of fiscal year 2010, the Army National Guard force structure will include 8 Division Headquarters, seven Brigade Combat Teams (BCT), and 44 multi-func-

tional Support Brigades. Additionally, the Army National Guard will have continued the conversion of 21 BCTs, completing transformation of the second set of seven BCTs in fiscal year 2010. Since 9/11/2001, more than 340,000 Army National Guard men and women have been activated in support of ongoing combat operations. On any given day, more than 50,000 Guard soldiers are “on point” for the Nation.

As the Department of Defense implements policies to reform the way the Pentagon does business by directing the Service chiefs to find more than \$100 billion in savings over the next 5 years, the National Guard is ready and able to play an important role in achieving these necessary goals.

The National Guard provides vast capabilities to our country in its dual-use, domestic support missions and overseas defense, missions while continuing to maintain cost-effectiveness. Increasing National Guard end strength and resourcing and recapitalizing its force will offer more capability and value at a lower cost to America.

Maintaining a Ready, Relevant, and Accessible National Guard

For the National Guard to best meet its Federal and State missions it must be resourced adequately and proportionately. Since fiscal year 1982 Congress has funded the National Guard and Reserve Equipment Account (NGREA) enabling both the Army and Air National Guard to procure much needed equipment and provide essential modernization upgrades. Since its start in fiscal year 1982, the Army National Guard has received more \$9.29 billion and the Air National Guard has received \$6 billion in NGREA funding.

Since fiscal year 2006 Congress has provided the ARNG with 50 percent of its total NGREA funding. With this funding, the ARNG has been able to significantly close the gap on many of its emerging requirements and new equipment program procurements. This has enabled our units across the country to go from 40 percent of required equipment on-hand a few years ago, to nearly 75 percent today. This dramatic turnaround is the direct result of congressional support and action.

For example, using NGREA funds, the ARNG has been able to purchase an additional 1,500 Family of Medium Tactical Vehicles (FMTVs), with plans to purchase another 1,100. The ARNG has been able to invest millions in critical updates to systems such as Tactical Operation Combat System (TOCS), Standard Integration Command Post System (SICPS), and War fighter Information Network-Tactical (WIN-T).

While the ARNG has made significant progress, the need for additional equipment funding remains. The National Guard and Reserve Equipment Report for Fiscal Year 2012 (Fiscal Year 2012 NGRER), completed in accordance with Section 10541, Title 10, United States Code, identifies several challenges for the ARNG. The fiscal year 2012 NGRER identifies a \$40 billion total shortfall for the ARNG (Page 1-4). Additionally, the ARNG estimates it needs “\$3.5 to \$4.5 billion in annual programmed funding (versus a \$2.3 billion per year average in the current Future Years Defense Program) to continue to modernize and maintain current EOH levels and interoperability” (Fiscal Year 2012 NGRER, Page 2-9).

The Fiscal Year 2012 NGRER also identifies the following challenges regarding equipment:

- Achieving full component-level transparency for equipment procurement and distribution;
- Equipping ARNG units for pre-mobilization training and deployment; and
- Equipping ARNG units for their homeland missions (pages 1-8, 1-9).

NGAUS has worked with Congress over the years to increase the transparency of equipment procurement and better equip the force for training requirements and homeland missions.

The ARNG helicopter fleet remains an area of concern. The Army National Guard Black Hawk fleet will soon grow to 849 helicopters. Five hundred of these are older UH-60A models, with an average age exceeding 25 years. Many UH-60As are in need of immediate replacement/conversion. The “A” model is more expensive to operate, cannot operate at higher altitudes, and has a 1,000 lbs lower payload capability than the newer “L” and “M” models.

The ARNG currently has a documented requirement for 210 UH-72A Lakota helicopters to support domestic missions in “permissive” environments. With over 150 aircraft now delivered to the Army on-cost and within schedule, the UH-72A has proven to be a robust and efficient multirole platform. Leveraging the success of this program for additional missions could lead to even greater efficiencies in meeting operational needs.

The Army National Guard Chinook helicopter fleet total requirement is 161 aircraft. Currently, the shortage is 17 aircraft, and all aircraft in this fleet are CH-47D models except 3 new CH-47Fs that were delivered in May. The average age

of the CH-47D aircraft are 25 years, with many that are older. The need for replacement is immediate because the helicopters are not only being utilized at home to support many missions, but also in deployments abroad especially in Afghanistan. This is compounded with the CH-47D's deterioration from age, recent operational tempo, and losses in theater. The new CH-47F provides better survivability, upgraded avionics (CAAS cockpit), a new airframe, and improved operational capability. The new features save lives and allow missions to be completed that wouldn't have been attempted with the CH-47D models.

Finally, modernizing the ARNG Tactical Wheeled Vehicle fleet is an issue. While the ARNG has reached 100 percent of the requirement for High-Mobility Multipurpose Wheeled Vehicles (HMMWV), 72 percent of the fleet has already reached its Economic Useful Life of 20 years and over 60 percent of the ARNG's HMMWV inventory are legacy vehicles, and are between 20 to 25 years old. Additionally, the ARNG remains short of its requirement for Family of Medium Tactical Vehicles.

The ANG continues to use NGREA funding for vital modernization efforts and specialized domestic operations requirements. They have procured essential equipment such as satellite communications kits for our Tactical Air Control Party (TACP), medical equipment for pararescue, body armor for security forces, helmet mounted cuing systems for fighter aircraft, defensive systems for mobility aircraft, firefighting vehicles, and more. With the need to fully fund ongoing operations and continued pressure on defense budgets, obtaining adequate funding for procuring equipment and modernization efforts will continue to be a challenge. Without adequate funding from NGREA or other sources, the ANG will be unable to modernize legacy platforms and equipment and will no longer remain an equal and effective partner in the Total Force.

In the last year the National Guard Bureau has implemented process changes in order to better obligate these funds and field the procured equipment and upgrades to our Soldiers and Airmen at a more rapid rate.

Along with NGREA, Congress has been instrumental in other modernization efforts for the Air National Guard. It was Congress that funded the LITENING Targeting pods for the Air National Guard F-16 which killed the insurgent leader Abu Musab al-Zarqawi in Iraq. And it is Congress that has continued to fund the Active Electronic Scanned Array (AESA) radar for Air National Guard F-15Cs. Since fiscal year 2006, Congress has provided \$313 million for the AESA radar program for ANG F-15s. The AESA radar is being fielded to our fighter wings which currently perform the air sovereignty alert mission in the skies over our Nation. This new radar provides our pilots with the combat capability necessary to perform the homeland defense mission by providing the ability to detect asymmetric threats like cruise missiles or low observable aircraft threatening our Nation's security. However, there remains a shortfall in funding to complete this program. The fiscal year 2012 President's budget request again did not provide the necessary funding to continue this essential program. For fiscal year 2012, the ANG has recognized an unfunded requirement of \$52.8 million for F-15C AESA radars in its Weapons System Modernization Book.

The Fiscal Year 2012 NGRER identifies a \$7 billion shortfall for modernization programs and shortfalls (page 5-11) in the ANG documented in the Weapons System Modernization Book. NGAUS has identified unfunded modernization priorities to include (in addition to the already identified AESA radar):

- \$13.85 million for the Helmet Mounted Integrated Targeting (HMIT) for A-10's (Aircraft Procurement);
- \$8.3 million for the HMIT for F-16's (Aircraft Procurement);
- \$12.12 million for the Center Display Unit for F-16's (Aircraft Procurement);
- \$32.8 million for the Center Display Unit for F-16's (RDTE);
- \$9 million for the Center Display Unit for F-15's (RDTE);
- \$20.5 million for LC-130 Eight Bladed Propeller Upgrade (Aircraft Procurement);
- \$10.74 million for Advanced Infrared Countermeasures (IRCM) Self Protection Suite for C-130's (Aircraft Procurement);
- \$70.3 million for Infrared Counter Measures (IRCM) Defensive Systems for KC-135's (Aircraft Procurement);
- \$6 million for Infrared Counter Measures (IRCM) Defensive Systems for KC-135's (RDTE);
- \$2.4 million for Improved Watercraft and Ground Recovery Vehicles (Other Than Aircraft Procurement); and
- \$46 million for two D-RAPCON Systems (Other than Aircraft Procurement).

In the near future the ANG will be fully submerged into the recapitalization crisis that the entire Air Force has become victim too. When the F-22 buy was cut off at 187 aircraft (from the 750 originally planned to be purchased) the ANG lost most

hope of being assigned those aircraft, with the exception of the classic associate relationship at Langley (Richmond, Virginia ANG) and Hawaii.

Although the USAF is planning to acquire 1763 F-35's, the only ANG facility identified to receive the F-35 to date has been Burlington, Vermont. Beyond that, the USAF has been very slow to make any other final decisions as to which, if any other, ANG locations will receive these aircraft beyond the first six Active units, leaving ANG leaders wondering if the Guard will make the cut if the F-35 buy is cut short.

The USAF has announced that it will perform a Service Life Extension Program (SLEP) to approximately 300 F-16s, most of which will be Active Component (AC) Block 50 and 40's. The question remains, how will the USAF ensure the longevity of older ANG F-16s, or will they eventually "cascade" the modernized Block 40/50's F-16's to the ANG as the AC receives new F-35's? And, what happens if the AC does not receive F-35's as anticipated? The Air Force has lacked transparency with the Air National Guard leadership. We believe it is time to end this and use the ANG as a model of how to field and execute the fighter mission in the future.

When discussing the crisis as related to the airlift and transport fleet one should remember how the ANG received the aircraft they now have. During the 1980's and early 1990's, the Air National Guard acquired a significant number of C-130 Hercules via congressional ad's, even though the effort was opposed by the Pentagon. Today, however, the Pentagon is either looking to transfer some of the newer models to AC locations, or claiming there is an excess of up to 40 of these aircraft, which, they indicate are offsetting an equal amount of C-27Js.

The USAF is modernizing its C-5B/C fleet with both the Avionics Modernization Program (AMP) and Reliability Enhancement and Re-engining Program (RERP), to the C-5M configuration. However, even though the Air Force has programmed the C-5A's (only operated in the Reserve Component) for AMP, these aircraft are not programmed to receive the RERP upgrade. Today, the USAF has begun to retire some of these aircraft. Despite not having the same upgraded range and fuel efficiency, unmodified C-5A's would not be inter-flyable by Active/Reserve Component crews. This lack of commitment to the ANG C-5 fleet has left units that operate these aircraft wondering what lies ahead in their future, thereby negatively impacting their ability to recruit the future generation of militia airmen.

After several years of the Army and Air Force coordinating to determine how many C-27J's would be required to provide direct "last tactical mile" airlift support for the Army, and homeland response capabilities for the ANG, the Joint Requirements Oversight Council (JROC) validated that 78 aircraft were necessary to fill this requirement. However, subsequently, the Secretary of Defense (SECDEF) seemed to "arbitrarily" change that number to 38, assigned the mission to the ANG, and justified the cut in C-27's to the Mobility Capabilities Requirements Study 16 (MCRS) that had identified an excess of 40 older C-130's. Unfortunately, the MCRS had not included the C-27 direct support mission in this study. When the total number of C-27's were reduced from 78 to 38, this caused the Air Force to also reduce the number of aircraft based in any one location from the standard 8 Primary Assigned Aircraft (PAA) per unit to 4, which hampers effective training and operations. Additionally, since the Army has declared that "fixed wing aviation is not a core competency," the Pentagon is also divesting the ARNG of its aging C-23 fleet before the ANG will be in a position to provide comparable airlift support stateside, since it will be focused on fulfilling its combat mission in the Middle East.

Although the USAF has finally selected a new tanker aircraft, to date, it is unclear where these aircraft will be stationed.

Finally, even though the Army does not consider fixed-wing aviation to be a core competency, logic tells us that some level of fixed-wing capability makes economic and functional sense as a niche mission, which has always been acknowledged and authorized under Joint Doctrine. And, even though the ANG may fully commit to providing direct support (primarily during combat operations), there will always be "pop up" missions, both stateside and deployed, that would justify a small fleet of fixed-wing support aircraft for the ARNG. Thus, a program to replace the aging C-12 and C-26 aircraft with a fleet of new light aircraft to take on this requirement should be pursued.

The Added Value of Citizen Soldiers and Airmen

The true strength of the National Guard is in its people. It's our citizen soldiers and airmen who juggle two jobs and a family life are invaluable to our Nation's defense. An unrivaled blend of civilian and military skills ensures that our members are effective when conducting missions abroad and at home.

The National Guard supports programs unmatched to other Active and Reserve Components. Members of the National Guard actively work on global engagement

programs, domestic support programs and youth programs to improve our communities.

The State Partnership Program (SPP) was created in 1993 with only a handful of partner nations. Today, these mutually beneficial relationships are established with more than 60 foreign nations. They work together to improve regional security, stability and prosperity. The fiscal year 2012 President's budget request creates a shortfall of \$12 million for the SPP.

The Agribusiness Development Teams (ADT) is another great example of the National Guard's fusion of military capability and civilian skills. The ADTs are working with the Afghan Ministry of Agriculture, Irrigation and Livestock to educate and train Afghan farmers in modern agriculture methods and techniques. These efforts will undoubtedly increase the quality of life and economic stability for the region while leading to improved opportunities for the Afghanistan agriculture community.

The domestic support realm ranges depending on the immediate needs of the regions and the longer term outcomes that they will produce. The National Guard has successfully supported the Southwest border security mission during Operation Jump Start from 2006–2008 and has continued to assist the U.S. Customs and Border Protection, Department of Homeland Security and the Immigrations and Customs Enforcement. Along with border security, National Guard members are assisting these entities by engaging in counter-narcotic missions on the Southwest border.

The National Guard's Counter Drug Programs help local law enforcement agencies with analysis and ground support resulting in tens of billions of dollars worth of drugs, property, weapons and cash each year. The National Guard's Training Centers in Mississippi, Florida, Iowa, Pennsylvania, and Washington train over 100,000 military personnel, law enforcement officers, and interagency members each year. The fiscal year 2012 funding shortfall for the Counterdrug Program is \$75 million.

When a crisis occurs, whether man-made or natural, the National Guard is ready to respond. National Guard members have responded to an unprecedented number of devastating tornadoes across the Nation in from Alabama to Massachusetts, including the town of Joplin, Missouri; they are currently performing flood relief missions in Arkansas, Louisiana, Mississippi, Montana, North and South Dakota, Nebraska, Vermont and Wyoming; and just a few months ago they were fighting wildfires over West Texas with their C-130Js from the California ANG.

The National Guard has designed structured response packages which are scalable to provide tiered response to local, State, regional or national level chemical, biological, radiological, nuclear, or explosives (CBRNE) incidents. In addition, the National Guard is working with the Department of Defense to stand up 10 Homeland Response Forces (HRFs). These HRFs will consist of 566 personnel and provide life saving capabilities during emergencies, bridging the gap between the initial National Guard response and Title 10 capabilities.

Our citizen soldiers and airmen are dedicated to improving their communities and our Nation's future. This is why the National Guard Youth ChalleNGe Program exists. The NGYCP is an award winning, community based program which mentors high school dropouts and leads them to become successful and productive citizens and lead successful and fulfilling lives. Since 1993, the NGYCP has graduated over 95,500 students and saved over \$175 million annually in juvenile correction costs.

Conclusion

In today's fiscally challenged environment, it is imperative that our Nation looks to our cost effective and mission proven National Guard as a solution to maintain our high level of national security at an affordable cost. As America's first military organization, the National Guard has proven for 375 years that it is "Right for America." With the continued support of Congress, the National Guard will emerge as an even more cost-effective and mission capable force in the future.

Chairman INOUE. Thank you very much, General Hargett.
Senator Cochran.

Senator COCHRAN. You may have mentioned this in your statement and I didn't notice the specifics, but is the National Guard being called on for deployments at this time in any conflict going on anywhere outside the United States?

General HARGETT. Yes, sir. There are still guardsmen in Iraq, Afghanistan, and Kuwait, and probably Kosovo and other places around the world.

Senator COCHRAN. Do you have any estimation or any indication—you can't predict when the war's going to be over and we can come home and declare victory, but what do you hear from people you trust about the future for the Guard's deployment? At some point you're going to have to say, hey, wait a minute, we don't have anybody to send.

General HARGETT. I predict that we will be deploying guardsmen long into the future. I think we're an integral part of the force and I think to continue to even do the peacekeeping operations we will continue to deploy some guardsmen.

Senator COCHRAN. It seems to me that, with the continued pressures and strains on family relationships and unpredictability of deployment schedules, how you can maintain a job at home, in the traditional sense of the Guard and Reserve being mobilized for emergencies only, things that aren't anticipated or couldn't be handled by regular forces—do you see any breakdown in the system?

General HARGETT. You know, as the former Adjutant General of the Tennessee Guard, I can speak for Tennessee. But I will tell you that the one thing that's unrecognized in what we have done for the last 10 years are the families and employers who have—I will tell you that I think the guardsmen are willing to do this forever. I think the strain will be families and employers as we go forward, and I think we've got to have programs that take care of families, programs that take care of employers, and look toward the future.

But I think continued use of the Guard and Reserve can easily be accomplished with the proper programs with employers and families involved in those programs.

Senator COCHRAN. Well, I know just from my personal experience, my son was a National Guard officer in the Mississippi Army National Guard and he loved it and was ready to go any minute, anywhere. I think that's an indication of the way most people felt in our State. I just wonder how long they can sustain that, though, and manage family, homes, careers, which is what they do.

But thank you very much. It's a real compliment, I think, to those who are involved in the Guard and continue to make it an important force for our national security.

General HARGETT. Thank you.

Senator COCHRAN. Thank you for your service.

Chairman INOUE. Thank you.

Senator Shelby.

Senator SHELBY. I just appreciate his appearance here and his testimony. All of you, I think this has been a good hearing. I know you've had limited time, but we're going to absorb a lot of this.

Thank you, Mr. Chairman.

Chairman INOUE. Thank you.

Mr. Lumme.

**STATEMENT OF DALE LUMME, NATIONAL EXECUTIVE DIRECTOR,
NAVY LEAGUE OF THE UNITED STATES**

Mr. LUMME. Chairman Inouye, Ranking Member Cochran, distinguished members of the subcommittee: Thank you for the opportunity to appear before you today to discuss the most urgent needs of our sea services and maritime industry. As a retired Navy captain and naval aviator, and on behalf of the thousands of world-

wide members of the Navy League, I would like to thank this subcommittee for its diligent stewardship and oversight of the sea services. I think, as witnessed by Chairman Inouye receiving the highest Navy League award 3 years ago for his maritime stewardship and then the reigning Navy League Award winner Senator Cochran, thank you for your service to the Navy, Marine, Coast Guard, and flag merchant marine.

The Navy League is a nonprofit civilian organization whose mission it is to educate the American people about the enduring importance of sea power to a maritime Nation and to support the men and women of the United States sea services. Since the Navy League's founding in 1902 with the support of President Teddy Roosevelt, the organization has vigorously promoted America's maritime interests through our strong advocacy of our sea services, the U.S. flag merchant marine, Coast Guard, Marine Corps, and Navy.

President Roosevelt asserted that a Navy could justify its existence only by the protection of maritime shipping. He stated that "True national greatness has in all ages and in all countries throughout the world been based upon waterborne commerce."

Just this past weekend, in response to the President's weekend address, North Dakota Senator John Hoeven stated: "Over 100 years ago, President Roosevelt launched a Navy mission known as the Great White Fleet on a voyage around the world. President Roosevelt's leadership put the world on notice that the United States was a global maritime Nation open for business."

The Navy League strongly believes that a vibrant U.S. maritime industry is a critical part of our national security and now a vital part of our economic recovery. Navy veteran President John F. Kennedy in June 1963 aboard the USS *Kitty Hawk* stated: "Recent events have indicated that control of the sea means security, control of the seas can mean peace, and the United States must control the seas to protect its own national security."

Over the last 20 years, a disturbing trend has emerged. We continue to ask our sea services to do more and more for our country, yet the size of our naval fleet continues to shrink. The Congress has heard recent testimony that our Navy is at its lowest level since 1916.

It is not the job of the Navy League to advise the U.S. Congress how to tackle our national debt crisis, but it is the job to pass appropriations bills and not continuing resolutions. The Navy and Marine Corps and Coast Guard is still recovering from the continuing resolution from fiscal year 2011 and we implore upon you for fiscal year 2012 not to pass another continuing resolution to harm our combat readiness.

It may appear an easy way to cut spending is to cut defense and big procurement items like ships and aircraft, and that may be considered some of the easiest targets. The national security of the United States depends on a Navy with sufficient number of ships to maintain a forward global presence critical to the U.S. economy and the protection of our democratic freedoms that we take for granted.

The number one problem facing the United States Navy today is the lack of a fully funded, achievable shipbuilding program that

produces the right ships with the right capabilities for the right cost, in the most cost-efficient, economic quantities. The Navy League of the United States fully supports rebuilding the fleet to a goal, as recently stated by the Secretary of the Navy, of 325 ships to properly execute the maritime strategy.

The Navy League also supports pursuit of multi-year procurement strategies for the MH-60 helicopter, continued acquisition of the F-35 to replace the AV-8, the acquisition of an affordable combat vehicle to replace the aging and costly amphibious assault vehicle, and, importantly, supports the sustainment of a significant deterrent capability of our ballistic missile submarine forces, including the replacement of the Ohio class submarines, and strongly believes this should be funded on a national imperative outside of the Navy's FCN. The Navy is buying what they can afford, not what our Nation's security needs.

The CNO recently commented at a current strategy forum: "It is our persistent forward presence that allows for speed and flexibility of response for our Nation that has been called upon repeatedly over the last 2 decades, and most recently in ongoing ops in Libya and Japan."

The Secretary of the Navy recently commented that: "Sometimes the U.S. Navy-Marine Corps team follows the storm to the shore and sometimes it must bring the storm." The United States is a maritime Nation with global responsibilities. With a forward-engaged naval tradition as a foundation of our existence, the Navy-Marine Corps team is inseparable.

The future success of shipbuilding and many of our Navy programs is contingent upon our Nation's support of science, technology, engineering, and math education programs. The Navy League strongly supports additional funding levels for STEM and is working to support efforts to expand this program through our Navy Sea Cadets and Worldwide Councils.

In conclusion, America is a maritime Nation and must maintain its status of maritime superiority if there is to be peace and prosperity and economic prosperity throughout the world.

Thank you for your continued support of America's sea services.
[The statement follows:]

PREPARED STATEMENT OF DALE LUMME

Chairman Inouye, Ranking Member Cochran, distinguished members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the most urgent needs of our sea services and maritime industry.

On behalf of the 50,000 members of the Navy League worldwide, I would like to thank this committee for its diligent work to ensure our sea services are provided with the very best our country can give them.

The Navy League is a nonprofit civilian organization whose mission is to educate the American people and their leaders about the enduring importance of sea power to a maritime nation, and to support the men and women of the U.S. sea services.

Since the Navy League's founding, in 1902, with the support of President Theodore Roosevelt, the organization has vigorously promoted America's maritime interests through our strong advocacy of all the sea services—to include the U.S.-Flag Merchant Marine, the U.S. Coast Guard, the U.S. Marine Corps and the U.S. Navy—and the industries that support them.

The founding direction of the Navy League—adopted 109 years ago—is still appropriate today. The Navy League mission strongly supports the long-standing U.S. policy that a viable U.S. maritime industry is a critical part of our national security and now a vital part of our economic recovery.

President Roosevelt asserted that a navy could justify its existence only by the protection of maritime shipping. He described the sea as a network of trade routes, and stated that true national greatness has, in all ages and in all countries throughout the world, been based upon waterborne commerce.

It is the Navy League's firm belief that providing for maritime security is—and must always be—the first and most important cornerstone of national security.

However, over the last 20 years, a disturbing trend has emerged. We continue to ask our sea services to do more and more for our country, yet the size of our naval fleet continues to shrink and plans to fund and rebuild naval platforms continue to be plagued by unchecked cost growth and significant construction delays. The security and prosperity of our Nation lies in our ability to protect and defend our people, our shores and our economic interests at home and abroad. Until we change the tone of the conversation on the industrial base and future readiness from “like to have” to “urgent priority,” we may be putting the security and prosperity of the American people in jeopardy.

With respect to the Navy League's support of the United States Navy

The number one problem facing the Navy today is the lack of a fully funded, achievable shipbuilding program that produces the right ships, with the right capabilities, for the right costs, in the most cost effective economic quantities.

The goal of a 325-ship Navy is a long way from reality, but as we have seen in recent operations this Nation's fleet is in high demand on a daily basis.

Our fleet already is stretched to the breaking point and it will become more difficult to react rapidly to humanitarian and disaster situations and stand ready to defeat aggression. The United States will not be able to meet all of our global commitments as the number of ships continues to decline.

In order to provide our Nation with the maritime security capability needed to meet our global commitments, our Shipbuilding and Conversion, Navy (SCN) account should be funded at \$25 billion per year (or more) to achieve a force level of 325 ships.

A 325-ship Navy is not just a number. It means hulls with the capability to maintain presence, project power and influence events. They must be capable of prevailing in conflict, whether alone or as part of a task force.

The fleet must have sufficient aircraft of the right mix, and key to that requirement is getting the next-generation fighter/attack aircraft—the carrier variant and the short take-off and vertical-landing (STOVL) variant of the F-35 Lightning II, also known as the Joint Strike Fighter (JSF)—operational in numbers. The timely delivery of the JSF, along with the recently extended multiyear buy of F/A-18E/F Super Hornet multirole fighters and EA-18G Growler airborne electronic attack aircraft, will help close the projected strike fighter gap in the latter part of this decade.

Finally, it is vitally important that the Navy maintain a credible cyber force and develop leap-ahead, interoperable and resilient capabilities in cyberspace to successfully counter and defeat a determined, asymmetric threat.

Chief of Naval Operations Admiral Gary Roughead recently commented at the Current Strategy Forum in June 2011 that:

The Navy's forward presence and flexible range of capabilities gives our Nation options to remain globally engaged with partners, and ensure our access wherever our Nation's interests might dwell.

While our ships are able to surge on short notice, it is our persistent forward presence that allows for the speed and flexibility of response the Nation has called upon repeatedly over the last two decades, and most recently in ongoing operations in Libya and Japan.

Specifically, the CNO stated:

“Off Libya, deployed ships and submarines broke off their patrol and maritime ballistic missile defense missions to deliver tomahawk missiles against radar and command and control sites, creating in short order the conditions under which a no-fly zone could be imposed.

“Off Japan, the deployed Ronald Reagan Strike Group responded immediately to the natural disaster there, with helicopter flights to deliver humanitarian aid and medical capabilities, with nuclear expertise and heavy lift to participate in the relief effort.”

The Navy League of the United States:

—Fully supports rebuilding the fleet to a level of 325 ships to properly execute the Maritime Strategy and, inclusive in this ship count, should be not less than: 11 aircraft carriers; 38 amphibious ships, four more if the Global Fleet Station concept is adopted; 48 attack submarines; and 55 Littoral Combat Ships (LCSs).

- Supports the sustainment of a minimum of 10 carrier air wings, including the continued multi-year procurement of the F/A-18E/F Super Hornet, the pursuit of multi-year procurement strategies for the MH-60 helicopter and the E-2C/D Hawkeye airborne early warning (AEW) aircraft, and full development and follow-on procurement of the F-35 Lightning II.
- Supports the continuing development, procurement and deployment of the Navy portion of the Ballistic Missile Defense System, including long-range surveillance and tracking capability to queue ground-based intercept systems and, ultimately, the ability to detect, track and engage medium and long-range ballistic missiles well distant from the United States.
- Supports the sustainment of the significant deterrent capability that our ballistic-missile submarine, or SSBN, force offers, including the replacement of the Ohio-class SSBNs at the rate of one per year, which should be funded as a national imperative outside of the Navy's SCN plan.
- Strongly supports the acquisition of two new Virginia-class submarines per year.
- Supports maintaining two U.S.-owned sources for building Navy submarines, and maintaining a teaming agreement for constructing Virginia-class submarines wherein one shipyard serves as the prime contractor and the other serves as its major subcontractor.
- Supports the Navy's LCS acquisition strategy to select 10 units of each hull form, based on sea trials and operating experience of the initial hulls, to attain the unique attributes of each for the LCS class.
- Supports the P-8A Multi-mission Maritime Aircraft and Broad Area Maritime Surveillance System, which will contribute surveillance data to Maritime Operations Centers and Regional Operations Centers. These centers will fuse information for dissemination to Navy, Coast Guard and Joint Force Maritime Component Commanders and our allies for military and counterdrug operations.
- Supports the continuing integration of unmanned aircraft systems (UASs) into the fleet, including the expansion of the deployment of the MQ-8B Fire Scout vertical takeoff unmanned aerial vehicle, and deploying an unmanned aircraft squadron on an aircraft carrier at the earliest opportunity.
- Believes that increased emphasis and funding is required to allow Navy and Coast Guard operations in the polar regions to protect our access to natural resources as well as preclude these regions from becoming sanctuaries for potential adversaries. Communications, logistics, ship and aircraft modifications are essential for such operations.
- Supports continued funding for Combat Logistics Force assets, including oiler/ammunition carriers and dry cargo/ammunition carriers; large, medium-speed roll-on/roll-off ships; and new classes of special mission vessels, all of which will be employed in the Maritime Preposition Force (Future) squadrons.
- Urges that naval C⁴ISR systems have increased levels of information flow, resource assignments and adaptability, and that procurement processes be modified to ensure the rapid insertion of new technology.
- Supports Navy emphasis on cyber warfare to ensure the viability of our C² systems even in the face of increased cyber attacks.
- Supports rapid passage of the United Nations Convention on the Law of the Sea, or Law of the Sea Treaty, which seeks to establish a comprehensive set of rules governing the oceans.

With respect to the Navy League's support of the United States Marine Corps

The United States is a maritime nation with global responsibilities. With a forward engaged naval tradition as the foundation of our existence, the Navy-Marine Corps Team is inseparable. The forward presence allows for the Navy-Marine Corps Team to build relationships around the globe. But, we must remember, countries, like mothers-in-law, are happy to see you come, but you are just as happy to see you go.

The Navy-Marine Corps Team's persistent forward presence and multimission capability present an unparalleled ability to rapidly project U.S. power across the global commons—land, sea, air, space and cyber.

Amphibious forces with robust and organic logistical sustainment bring significant advantages, including the ability to overcome the tyranny of distance and to project power where there is no basing or infrastructure—a strong deterrent capability for our Nation. To Marines, “expeditionary” is a state of mind that drives the way they organize, train, develop and procure equipment.

By definition, the role of the Navy-Marine Corps Team as America's crisis response force necessitates a high state of unit readiness and an ability to sustain ourselves logistically.

The Corps must regain its expertise in amphibious operations and maintain that capability in force structure. The service also must be provided the resources to reset the force; restore or acquire anew the equipment capabilities consumed in the ongoing wars; and field the F-35B STOVL variant, develop a new, affordable Amphibious Combat Vehicle and field sufficient amphibious lift, starting with an additional LPD 17.

The new Marine Armor System, the up-armored High Mobility Multipurpose Wheeled Vehicle (or Humvee), the Marine Personnel Carrier and the Joint Light Tactical Vehicle will be instrumental in achieving these goals. To enhance the forcible-entry ability, the Corps must develop the expeditionary fighting vehicle replacement vehicle, the Amphibious Combat Vehicle.

Significant support is needed for weapon improvements for the MAGTF, particularly in the 155 mm Howitzer, the High Mobility Artillery Rocket System (HIMARS) and Naval Surface Fire Support.

Within Marine Aviation, the F-35B STOVL variant of the Lightning II, the MV-22 Osprey tiltrotor, the CH-53K heavy-lift helicopter, the UH-1 and AH-1 helicopters will provide the MAGTF commander with unsurpassed warfighting capability.

The combatant commanders (COCOMs) multiple missions require more than the planned number of amphibious ships to meet their demand for forward presence and crisis response. At a minimum, 38 amphibious ships are needed to provide an adequate number of Expeditionary Strike Groups (ESGs) and Marine Expeditionary Units, deploy naval forces in single ships as Global Fleet Stations and provide adequate time for training and maintenance.

The COCOMs know that in a natural disaster or humanitarian crisis, a large-deck amphibious ship is the most utilitarian platform in the naval fleet. The Amphibious Force brings helicopter lift, mobile communications, medical and engineering, all the capabilities most needed in a humanitarian assistance or disaster relief scenario.

The Nation requires a fleet of amphibious ships to support the forcible entry amphibious force of two brigades. In light of fiscal constraints, the Department of the Navy stated that it will sustain a minimum of 33 amphibious ships in the assault echelon. Amphibious capability demands sea basing and the Maritime Prepositioning Force. Protecting U.S. interests around the globe and forcible entry are directly tied to these amphibious capabilities.

The Navy League of the United States supports:

- The full funding of costs associated with resetting the force to meet current and future requirements.
- The acquisition of an affordable amphibious combat vehicle to ensure we have the ability to maneuver against adversaries that are becoming increasingly capable, and to replace the aging and costly Amphibious Assault Vehicle force.
- The continued acquisition of the F-35B to replace the AV-8 Harrier and F/A-18 Hornet aircraft, and the acquisition of unmanned air and ground systems to further enhance the flexibility, mobility and versatility of Marine Corps forces.
- Adequate Navy shipping and sealift platforms to provide the expeditionary lift to support present and future COCOM requirements.
- Continued full-rate production of the MV-22 Osprey. Recent successful deployments to Afghanistan of the MV-22 reinforce the immediate need for this capability for both the Marine Corps and U.S. Special Operations Command.
- The recapitalization of the workhorses of Marine Corps aviation—the KC-130J aircraft, equipped with an improved aerial refueling system, and the CH-53K, and the acquisition of UH-1Y Huey and AH-1Z Super Cobra helicopters.
- The acquisition of modern air, ground and logistics C² systems such as Combat Operations Centers, the Joint Tactical Radio System, the Common Air C² System, Joint Tactical Common Operational Picture Workstation and the Global Combat Support System to support joint and coalition operations.
- The successful and continuous armor upgrades of vehicles as well as anti-sniper technology and anti-improvised explosive device technologies.
- The continued acquisition of MAGTF fires improvements, particularly in the 155 mm Howitzer and HIMARS, and sufficient naval surface fire for joint forcible-entry operations.
- The ongoing reconstitution and modernization efforts in the wake of the extremely demanding rotation cycle of personnel and equipment in Afghanistan.
- The transition to network-centric expeditionary forces able to execute the war on terrorism with ready, relevant and capable forces, supported by ISR assets that strengthen joint and combined capabilities, ensure presence and provide surge.

With respect to the Navy League's support of the United States Coast Guard

The U.S. Coast Guard, the 5th Armed Force, is the lead agency for maritime homeland security. The USCG is in the process of determining operational requirements for the Offshore Patrol Cutter, and then will build the ships as soon as feasible to replace outdated and unreliable Medium Endurance Cutters. The total requirement is for 25 vessels delivered at two per/year.

Global climate change is opening up polar sea lanes, highlighting competing territorial claims. Therefore, it is essential that responsibility for ensuring our national sovereignty and interests in the Polar Regions is assigned appropriately to the U.S. Coast Guard.

The NLUS Supports the transfer of icebreaker maintenance funds from the National Science Foundation to the Coast Guard. The need for a robust presence in the polar regions is supported by the Joint Chiefs of Staff to accommodate security and sovereignty concerns. The first step is to put the management of the Nation's icebreaking capability where it belongs—with the Coast Guard.

With respect to the Navy League's support of the United States Flag Merchant Marine

A strong commercial U.S. Flag Merchant Marine is more critical than ever.

95 percent of the equipment and supplies required to deploy U.S. forces is delivered by U.S. flagged and government owned vessels, manned by U.S. citizen mariners.

The Navy League of the United States supports the Jones Act and the Passenger Vessels Services Act which requires U.S. built ships and U.S. citizen crews—because they protect critical national infrastructure and provide added sealift capacity, are important to economic and national security.

The recapitalization of the ready reserve force (RRF) is vitally important to our maritime industry. The RRF should not be cut back until sufficient replacement capacity and capability are available.

A strong strategic sealift merchant reserve component is needed in the U.S. Navy to ensure that critical mariner skills and experience are retained to support Navy and strategic sealift transportation.

The Navy League of the United States supports combined government and industry efforts to counter piracy by introducing new technologies, and if requested by the shipping companies, placing armed guards aboard ships to prevent boardings.

SHIPBUILDING

The Navy continues to struggle to meet its operational demand for deployable warships. The Navy deploys as many ships today as it did in the early 1990s, but with only two-thirds the number of ships in the fleet. The Navy is hard pressed to match and outpace threats from ballistic missiles, cruise missiles, aircraft and submarines.

All three of the U.S. Navy's fleets—the fleet in planning, the fleet in construction and the fleet in being—are stressed with budget limitations.

Good news lies with the success of aircraft carrier construction and the midlife refueling overhauls of the existing Nimitz class. The Virginia-class submarine construction continues with two boats a year authorized and funded beginning in 2011.

The Ohio SSBN replacement is under design, with efforts to restrain costs and still meet the expected operational demands. This development and construction program, if allowed to remain in the Navy's SCN funding accounts, will create havoc with other vital construction programs. These costs should be funded independently as a national strategic investment.

Major shipyards along the gulf coast have suffered from modest amounts of facility modernization and significant storm damage repair over the past decade. These shipyards must be able to plan on a sustainable and predictable workload, which will provide the revenue to support a trained work force, and facilities needed to construct our fleet.

Along with constructing and supporting the Navy fleet, these yards, with the Naval Sea Systems Command, must support and cooperate closely with the U.S. Coast Guard, Military Sealift Command and MARAD. The plans, best practices, procedures, and research and development all must be shared with the industrial base. There also must be development in the domestic oil and gas industry's emergency response capability, sufficient to handle large and small oil spill response, such as the Deepwater Horizon oil spill.

The shipbuilding industry needs increased investment in maritime research and development that includes dual-use vessels for America's Marine Highway System,

with military-useful capabilities that can be called upon for DOD strategic sealift capability.

The Navy must continue to strengthen and improve research and reassess its design, procurement and integration processes to produce affordable, combat-credible and survivable surface ships and submarines. Research is vital to the future fleet and its capabilities.

The Navy League of the United States supports:

- An increase of shipbuilding funds to the level of at least \$25 billion per year, with the associated research and development dollars to fund the requirements and design work that precedes contracting for ship and submarine construction.
- Ensuring that the funds for the SSBN(X), the Ohio-class submarine replacement, are provided as needed outside of the Navy's SCN budgets to preclude the disruption and delay of other vital shipbuilding programs.
- Adequate funding to recover and continue to build and sustain a vital organic Navy Shipbuilding Technical Authority, including a robust design and research capability and capacity, which has dwindled and remains at a reduced and inadequate size.

INDUSTRIAL BASE

The industrial base that services this Nation's Sea Services is, at best, stagnant and most likely declining. This is cause for great concern because it inhibits efficient ship construction, ship repair (battle damage) and ship modernization in a time of increased tension or crisis. It also inhibits price and technical competition, which results in paying more for goods and services and acquiring less advanced equipment and systems for warships and aircraft.

The Navy and Coast Guard are only purchasing what they can afford—not what they require to meet fleet needs. Our stocks of spare parts are reduced in number and our critical battle spares (shafts, propellers, reduction gears) are nearly non-existent. The same limited availability of combat system components, such as weapon launchers, guns and sensors, would preclude our performing meaningful battle damage repairs and restoration, which with a small fleet is an important capability.

The only practical source of this equipment today is found in the new-construction shipyards. The manufacturing lead time is extensive, therefore we need spares. The defense supply system stocks little if any of the critical steel, aluminum, piping and electric cable needed for major repairs.

The labor pool possessing the critical skills necessary to produce our equipment and systems and construct our warships is aging, with key personnel leaving and not being replaced in kind. Ship construction and related industries are not viewed by today's younger generation as a viable career path.

The key element to achieving on-time and on-price production for our technically advanced systems and ships is a trained and dedicated workforce. These shortages result in the all-too-common poor performance experienced in shipyards and manufacturing plants. The only solution is additional training and education at all levels. We are especially stressed with the low number of experienced ship design personnel and senior managers within the Navy and in industry.

The future success of shipbuilding and many other Navy programs is contingent on our Nation's support of Science, Technology, Engineering, and Mathematics (STEM) education programs. According to the Office of Naval Research, more than 30 percent of current DOD Science and Technology professionals are expected to retire within the next 9 years.

STEM education equips our next-generation Sailors, Marines, scientists, architects, and engineers with the tools they need to develop new technologies and platforms that will defend America in the future.

The National Science Foundation notes that roughly half of all U.S. economic growth over the last 50 years was the product of scientific innovation. It is vital to our economic and national security that we encourage and support math and science education programs at all levels. A host of programs have been designed and funded in STEM disciplines in order to reach kids in middle school and high school and inspire them to explore the opportunities and rewards that exist with a technical major.

From its beginnings, the U.S. Navy has been a leader in leveraging technology and developing science-based solutions to defend U.S. interests. Today's investments in science and technology research will help the Navy maintain its edge as the high-tech service of the future. The Navy League supports additional funding levels for STEM and is working to support efforts to expand this program.

Global trade is still robust, yet our own foreign commerce is carried in mostly foreign-built and foreign-crewed ships. A modest increase, beyond Jones Act construc-

tion, in commercial shipbuilding would give a substantial boost to our shipyards and marine vendors.

Facilities at the larger shipyards in the United States are capable of constructing merchant ships as well as warships, but cannot match the costs, schedules and efficiencies of shipyards in Europe and Asia. On the other hand, U.S. yards construct and equip the best warships, aircraft carriers and submarines in the world. They are unmatched in capability, but are struggling to maintain that lead.

No nation can support and sustain a capable and sizeable Navy without a strong and sustaining industrial base manned with adequate numbers of skilled personnel. It is essential that this Nation have a policy at the highest levels of government to support and sustain an adequate industrial base capable of providing and supporting a strong Navy and maritime commerce.

The Navy League of the United States urges:

- The U.S. Government to develop and institute an effective industrial base policy that addresses critical issues such as the development of improved ships, ship systems and weapons with the capacity to annually produce multiple ships of a class and the capability to increase capacity rapidly in time of national need or emergency.
- An increased and stable level of predictable funding for the ships, submarines, aircraft and combat systems that are the essential elements of our fleet. The cost of these programs continues to rise beyond normal inflation rates, which is linked to low production rates and unstable funding. Improved staffing, additional research and stable programs with a reasonable annual production rate will help contain rising costs. Costs are related to schedule and, at present, our production times are excessive and should be reduced. A strong industrial base will assist in achieving affordable pricing for the Navy's programs.
- Capital investments in our existing infrastructure to allow us to stay abreast of the latest technological advances, attract the best young engineers and skilled workers, and ensure that we have the capability and capacity to surge repair, produce and construct the nation's fleet in time of crisis.
- Expanded use of advanced acquisition strategies, including block buys, multiyear-priced options with innovative funding approaches, such as time-phased and advanced appropriations that stabilize accounts and avoid disruptive funding spikes and voids.
- Support of the provision included in the fiscal year 2012 National Defense Authorization Act that allows the Secretary of the Navy the authority of advance purchase of major components during construction of the next two Ford-class aircraft carriers and to achieve cost savings by entering into multiyear advance procurement agreements.
- Adopting incentives to cut costs and schedules and reward firms that achieve significant savings in both money and time, while maintaining quality. This will create an environment in which high-performing companies can achieve returns on capital comparable to those commercial enterprises of similar risk and capitalization. Contracts should be structured so that earning higher fees for higher performance is achievable.

RESETTING OUR FORCES

The national imperative to reset our Maritime Forces requires, not only the replacement of equipment, but also demands the continued effort to attract, train and retain intelligent and capable men and women.

The resetting of our Maritime Forces requires the will of the American people, the President and Congress to commit the necessary resources to be prepared for our Nation's next battle. We can no longer demand more from an already stressed manpower pool to respond to worldwide disasters while redeploying to war zones and maintaining a high operational tempo.

Combat operations have been continuous and equipment has been subjected to intense use in harsh environments. Aside from the requirement to buy new equipment for the increased end strength, the entire force needs extensive rehabilitation, repair and replacement as weapons and equipment are rotated out of combat.

Likewise, prepositioned stocks and training base stocks must be replenished. The current reset cost estimate exceeds \$15.6 billion, of which only about \$10.9 billion has been funded. As the fight continues, the reset costs for equipment and training will increase apace, and Congress needs to understand and support this requirement.

As the Marine Corps modernizes its combat forces, funding must be continued for individual survivability programs, to include personal protective equipment, lighter-weight gear and modern force-protection systems. Ground mobility must be im-

proved to provide the Marine Corps the capability to effectively operate across the mission spectrum yet remain tailored in size to be deployable and employable.

Navy League Community Service

Every year, the Navy League participates in countless activities that support service members and their families. Highlights of some of the accomplishments of the Navy League this past year include:

- \$1,395,712 was given by Navy League of the United States to support the members of the sea services and their families.
- Navy League supported 1,545 Welcome Home Receptions, Holiday Parties, Child Care, R&R Programs, Ship Dinners and Luncheons and BBQ's totaling \$603,046.
- Navy League adopted or supported 401 Navy, Coast Guard and Merchant Marine ships and Marine Corps units in 2010.
- Navy League organized or provided substantial support for 16 Navy and Coast Guard ship commissioning ceremonies.
- 1,925 Sea Service Awards were given in 2010 totaling \$185,720.
- \$41,970 was given in support of 546 transitioning sea service members and their families.
- \$230,227 was provided to 146 Sea Cadets.
- \$103,158 was provided to 415 JROTC units.
- \$112,981 in scholarships were given to 71 sea service youths.
- Over \$20,000 worth of care packages were sent to the USO and troops overseas.
- Over 1 million paperback books have been sent to Operation Paperback for overseas military personnel.

Additionally, the Navy League of the United States is the sponsor of the Naval Sea Cadet Corps (NSCC). The Sea Cadets were founded by the Navy League in 1958 at the request of then-CNO Admiral Arleigh Burke. The goal was to establish a youth organization that would “create a favorable image of the Navy on the part of American youth.” The Naval Sea Cadet Corps was subsequently chartered by Congress in 1962 as a nonprofit, civilian development and training organization for youth ages 13 through 17, sponsored by the Navy League and supported by both the U.S. Navy and U.S. Coast Guard.

The Sea Cadets recently signed a Memorandum of Understanding with the Coast Guard Auxiliary for training and support, and have also discussed Sea Cadet participation in the activities of NOAA. Included under the NSCC umbrella is the Navy League Cadet Corps, a junior program for children ages 11 through 13. The NSCC program has grown nationally to 10,487 participants in 387 units in all 50 States, Guam and Puerto Rico. The program is run by volunteers with the objective of developing within youth an interest and skill in seamanship and seagoing subjects; developing an appreciation for our navy's history, customs, traditions and its significant role in national defense; developing positive qualities of patriotism, courage, self-reliance, confidence, and pride in our Nation and other attributes which contribute to development of strong moral character, good citizenship traits and a drug-free, gang-free lifestyle; and to present the advantages and prestige of a military career.

Many cadets enlist in the services, estimated at about 2,000 per year from an eligibility pool of about 20,000. Admiral Roughead recently indicated that every ex-Sea Cadet that enlists in the Navy represents a \$14,000 saving in recruiting costs to the Navy. We are very proud that over 12 percent of the current brigade of Naval Academy Midshipmen are former Naval Sea Cadets.

CONCLUSION

Forward deployed forces provide a forward presence creating global engagements that are critical to the U.S. economy, world trade and the protection of democratic freedoms that so many take for granted. The guarantors of these vital elements are hulls in the water, boots on the ground and aircraft overhead.

Since “presence with the capability to engage” is the primary strength of the Sea Services, it is imperative that we fund an aggressive shipbuilding and modernization program. Sustained maritime superiority is paramount to supporting the American economy.

America is a maritime nation and must maintain its status of maritime superiority if there is to be peace and economic prosperity around the world. Secretary of the Navy Mabus recently commented that: “Sometimes the U.S. Navy-Marine Corps Team follows the storm to the shore—sometimes we must bring the storm”.

In 2020, 40 percent of the U.S. Gross Domestic Product will be dependent on ocean shipping and maritime trade. Maritime superiority is essential to our economy.

The Navy League is committed to educating and informing, the senior leadership in the Executive and Legislative branches of the U.S. Government, as well as the media and the American people, of the continuing need for U.S. sea power, both naval and commercial, to protect U.S. interests throughout the world and ensure the Nation's economic well-being.

The most important "reform" that can be made in the field of national defense is to provide adequate funding for America's Sea Services, which are the greatest force for peace in the world.

Chairman INOUE. Thank you very much, Mr. Lumme.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

Thank you very much, Mr. Lumme, for your comments and observations. I know the Navy League is a voluntary organization of mostly former officers or enlisted active duty persons who have served in the U.S. Navy; is that right?

Mr. LUMME. Actually, it's not, sir. We only have 28 percent that are former military, so we have over 70 percent that are volunteers that had no military service at all.

Senator COCHRAN. How do you sell people on the fact that they ought to pay dues to the Navy League? What is the purpose of the organization?

Mr. LUMME. Our advocacy of the sea service is not only for the combat readiness and support of maritime—because we do flag merchant marine and Coast Guard also. We also support the families. We have individual augmentee programs, we have adopt a sailor programs, adopt a ship programs. Most of the ship commissionings that go on around the United States, Coast Guard and Navy, are done by the Navy League as a sponsor.

So we sell that because of patriotic support by the members who didn't join the military, but maybe want to help in other ways.

Senator COCHRAN. Well, I think that's admirable and I commend you for the work you do. I enjoyed serving in the Navy. We were lucky we weren't at war at the time. I might not have enjoyed it so much if somebody had been shooting at us or trying to sink our ship.

But the Navy has really done a great job in projecting power and a presence and influence throughout the world, I guess for the last—how many years? When did the Navy League start?

Mr. LUMME. The Navy League started in 1902.

Senator SHELBY. 1902. Quite a record of service and accomplishment.

Thank you.

Chairman INOUE. Thank you.

Senator Shelby.

Senator SHELBY. Mr. Chairman, I just want to tell Mr. Davis I appreciate his testimony and appearing here today.

Chairman INOUE. Our next witness is Mr. John Davis of the Fleet Reserve Association.

**STATEMENT OF JOHN R. DAVIS, DIRECTOR, LEGISLATIVE PROGRAMS,
FLEET RESERVE ASSOCIATION**

Mr. DAVIS. Chairman Inouye, Vice Chairman Cochran, and Senator Shelby: My name is John Davis and I want to thank you for the opportunity to express the views of the Fleet Reserve Association.

Ensuring adequate funding for the military health system is a top legislative priority for the association and very important to every segment of our membership. This is reflected in responses to the association's 2011 online survey, which revealed that over 90 percent of all active duty, reserve, retired, and veteran respondents cited healthcare access as a critically important quality of life benefit associated with their military service.

FRA opposes drastic TRICARE enrollment fee increases and opposed the 2006 proposed increase, which was up to \$2,000 increase every year for TRICARE Prime and an estimated index which would cause an increase every year of about 7.5 percent.

The association opposes the current administration's proposal. Although it provides a modest increase in 2012, it does mandate further increases past 2012 based on an index that measures healthcare inflation and assumes a 6.2 percent increase every year.

The FRA prefers the TRICARE provisions in the House and Senate defense authorization bills. That, like the administration's proposals, provides a modest adjustment, \$2.50 per month for individuals and \$5 per month for families that are getting TRICARE Prime, and—and I can't overestimate this enough—in the out-years it provides a cap for any future increases that is no more greater than the percentage increase for the cost of living adjustment for retirees. This ensures that the military retirees' compensation will not be eroded by their healthcare costs in future years.

We are also thankful that there are no increases for TRICARE Standard, for their survivors, for TRICARE for Life, and of course for active duty military.

The House version also eliminates copays for mail order generic drug prescriptions. That is something that FRA has long supported.

FRA welcomes the administration's focus on creating an electronic health record for service members that can follow them to the Department of Veterans Affairs and for the rest of their life.

Notwithstanding the oversight limitations, adequate funding for an effective delivery system between DOD and VA to guarantee a seamless transition and quality of service for wounded personnel is very important to our membership.

The association notes that the administration has not proposed authorizing chapter 61 retirees to receive full military retired pay and veterans disability compensation, as it has done the last 2 years. FRA continues to seek authorization and funding of full concurrent receipt from all disabled retirees.

Family support is also important and should include funding for compensation, training, and certification for respite care for family members functioning as full-time caregivers for wounded warriors. These provisions were enacted in the fiscal year 2011 defense authorization and are similar to the Caregivers and Veterans Omnibus Health Care Service Act, S. 1963, that was enacted for the VA. Both acts improve compensation, training, and assistance for caregivers of severely disabled active duty service members.

FRA also supports the funding for a 1.6 percent active duty pay increase, which at least keeps pace with salaries in the private sector. If authorized, FRA supports funding retroactive eligibility for

early retirement benefit, to include reservists who have supported contingency operations since September 11, 2001.

Again, I want to thank you for allowing me to submit my views, the FRA's views, to this subcommittee.

[The statement follows:]

PREPARED STATEMENT OF JOHN R. DAVIS

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the newly established FRA Education Foundation oversees the Association's scholarship program that presents awards totaling nearly \$120,000 to deserving students each year.

The Association is also a founding member of The Military Coalition (TMC), a consortium of more than 30 military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 86 years of service in November 2010. For nearly nine decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel, other members of the uniformed services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections and absentee voting reform for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

OVERVIEW

Mr. Chairman, the Fleet Reserve Association salutes you, members of the Subcommittee, and your staff for the strong and unwavering support for essential programs important to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work in funding these programs has greatly enhanced care and support for our wounded warriors, improved military pay, eliminated out-of-pocket housing expenses, improved healthcare, and enhanced other personnel, retirement and survivor programs. This funding is critical in maintaining readiness and is invaluable to our Armed Forces engaged in a long and protracted two front war, sustaining other operational commitments and fulfilling commitments to those who've served in the past. But more still needs to be done.

A continuing high priority for FRA is full funding of the Military Health System (MHS) to ensure quality care for active duty, retirees, Reservists, and their families. FRA's other 2011 priorities include annual active duty pay increases that are at least equal to the Employment Cost Index (ECI), to help keep pace with private sector pay, retirement credit for reservists that have been mobilized since September 1, 2001, enhanced family readiness via improved communications and awareness initiatives related to benefits and quality of life programs, retention of full final month's retired pay for surviving spouse, and introduction and enactment of legislation to eliminate inequities in the Uniformed Service Former Spouses Protection Act (USFSPA).

The Association also supports additional concurrent receipt improvements to expand the number of disabled military retirees receiving both their full military retired pay and VA disability compensation as proposed in the administration's budget request from last year.

The fiscal year 2012 budget calls for a 1.6-percent active duty pay increase that equals the Employment Cost Index (ECI) and FRA supports that increase. The Association also supports efforts to reduce the so-called "Military Widows tax" imposed on beneficiaries whose Survivor Benefit Plan (SBP) annuity is offset by the amount they receive in Dependency and Indemnity Compensation (DIC), and if authorized, funding to support this change.

HEALTHCARE

Healthcare is especially significant to all FRA Shipmates regardless of their status and protecting and/or enhancing this benefit as noted above is the Association's top legislative priority. Responses to a recent FRA survey indicate that nearly 90 percent of active duty, Reserve, retired, and veteran respondents cited healthcare access as a critically important quality-of-life benefit.

The administration is proposing an increase to the TRICARE Prime annual enrollment fee from \$230 to \$260 for individuals and from \$460 to \$520 per retired family. Starting in 2013 the annual enrollment fee would be increased to keep pace with a medical inflation index. The proposal also eliminates pharmacy co-pays for mail-order generic drugs and increases the current retail formulary pharmacy \$9 co-pay by \$2 to \$3. There are no proposed increases for TRICARE Standard, survivors, TRICARE-for-Life beneficiaries, and those who are medically retired. There are also no out-of-pocket costs for active duty service members. This proposed fee increase would represent a 13 percent increase in the TRICARE Prime annual enrollment fee in the first year and would apparently be indexed to Medicare Part B coverage cost increases in the out-years. FRA is opposed to using Medicare costs for disabled and 65 and older beneficiaries as a basis for adjusting premiums for military retirees age 38–64 that undoubtedly have lower healthcare costs than individuals under Medicare.

If approved, FRA believes future premium adjustments for TRICARE Prime beneficiaries under age 65 should be based on the Consumer Price Index (CPI) since military retired pay cost-of-living-adjustments (COLAs) are based on that measure. Any index in excess of the CPI would grind down the value of their retired pay and would counter the purpose of the COLA which to maintain the purchasing power of the beneficiary. The House Defense Authorization bill (H.R. 1540) authorizes the 2012 fees increase per the administration's budget, but limits further increases to no more than the annual COLA, and provides the requested changes to pharmacy co-pays.

The House Defense Appropriations Subcommittee bill provides \$32.3 billion for the Military Health System (MHS) in 2012 which is \$935 million more than the last fiscal year and \$119 million more than requested by the administration. In conjunction with this, FRA strongly supports funding to fully implement bidirectional electronic health records that will follow service members as they transition from DOD to the VA.

FRA also notes recommendations in recent Government Accountability Office (GAO) testimony before the House Committee on Oversight and Government Reform which identified Federal programs, agencies, offices and initiatives that have duplicative goals or activities. Number two on a list of 81 areas for consideration is realigning DOD's military medical command structures and consolidating common functions to increase efficiency which would result in projected savings of from "\$281 million to \$460 million" annually. In addition, GAO cites opportunities for DOD and the Department of Veterans' Affairs (VA) to jointly modernize their respective electronic health record systems, and also control drug costs by increasing joint contracting.

DOD must continue to investigate and implement other TRICARE cost-saving options. The Association notes the elimination of 780 contract positions in conjunction with streamlining TRICARE Management Activity functions along with increasing inter-service cooperation and co-locating medical headquarters operations.

FRA also notes progress in expanding use of the mail order pharmacy program, Federal pricing for prescription drugs, a pilot program of preventative care for TRICARE beneficiaries under age 65, and elimination of co-pays for certain preventative services. The Association believes these efforts will prove beneficial in slowing military healthcare spending in the coming years.

WOUNDED WARRIOR CARE

Last year Congress authorized a monthly stipend under the DOD family caregiver program for catastrophically injured or ill wounded warriors that is equal to the caregiver stipend provided by the Department of Veterans' Affairs (VA). The new program will help many caregivers, however, the enactment and implementation of the legislation is only the first step and effective oversight and sustained funding are also critical to ensuring future support for these caregivers. A recent Navy Times survey on wounded warrior care (November 29, 2010) indicates that 77 percent of caregivers have no life of their own; 72 percent feel isolated; and 63 percent suffer from depression.

DES

In response to the Dole/Shalala Commission Report a pilot program was created (NDAA—fiscal year 2008—Public Law 110–181) known as the Disability Evaluation System (DES). The pilot provides a single disability exam conducted to VA standards that will be used by both VA and DOD and a single disability rating by VA that is binding upon both Departments. This pilot program has expanded and become the Integrated Disability Evaluation System (IDES) and is viewed as a common-sense approach that FRA believes will reduce bureaucratic redtape and help streamline the process and warrants expansion to the entire disability rating system. Despite jurisdictional concerns, the Association urges the Subcommittee to provide oversight and adequate funding as the IDES is implemented.

CONCURRENT RECEIPT

The Association notes that the administration has not proposed authorizing Chapter 61 retirees to receive their full military retired pay and veteran's disability compensation as it has the last two fiscal years. FRA continues to seek timely and comprehensive implementation of legislation that authorizes and funds the full concurrent receipt for all disabled retirees and supports "The Retired Pay Restoration Act" (S. 344) sponsored by Majority Leader Senator Harry Reid (Nevada) which is comprehensive legislation that authorizes concurrent receipt for all disabled retirees, including those with less than 20 years of service who have been medically retired (Chapter 61s).

FULL FINAL MONTH'S PAY

Current regulations require survivors of deceased armed forces retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Upon the demise of a retired service member in receipt of military retired pay the surviving spouse is to notify the Department of Defense of the death. The Defense Department's finance arm, Defense Finance and Accounting Service (DFAS) then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse (beneficiary) and, if not reported in a timely manner, recoups any payment(s) made covering periods subsequent to the retiree's death. The recouping is made without consideration of the survivor's financial status.

At a most painful time, the surviving spouse is faced with the task of arranging and paying for the deceased retiree's interment and that difficulty is only amplified by the loss of retirement income when it is needed most.

That is why FRA is supporting "The Military Retiree Survivor Comfort Act," (H.R. 493) sponsored by Rep. Walter Jones (North Carolina).

The measure is related to a similar pay policy enacted by the Department of Veterans Affairs (VA). Congress passed a law in 1996 that allows a surviving spouse to retain the veteran's disability and VA pension payments issued for the month of the veteran's death. FRA believes military retired pay should be no different.

To offset some of the costs, if the spouse is entitled to survivor benefit annuities (SBP) on the retiree's death, there will be no payment of the annuity for the month the retirement payment is provided the surviving spouse. If authorized, FRA urges this subcommittee to provide adequate funding to correct inequities associated with this policy.

DEFENSE BUDGET

FRA supports a defense budget of at least 5 percent of GDP to fund both people and weapons programs. The current level of defense spending (4.7 percent including supplemental spending in fiscal year 2010) is significantly lower than past wartime periods as a percentage of GDP and the Association is concerned that the adminis-

tration's 5-year spending plan of 1 percent above inflation may not be enough for both people programs and weapon systems.

ACTIVE DUTY PAY

The military has been appropriately excluded from the pay freeze for Federal employees announced by President Obama on November 29, 2010 and FRA strongly supports the proposed 1.6 percent pay increase that equals the 2010 Employment Cost Index (ECI). The United States however, is in the 10th year of war and there is no more vital morale issue for our current warriors than adequate pay.

A total of 92 percent of active duty personnel who responded to FRA's recent quality of life issues survey consider pay as "very important," which was the highest rating. The Association appreciates the strong support from this distinguished Subcommittee in reducing the 13.5 percent pay gap to 2.4 percent since 1999 and reiterates the fact that the ECI lags 15 months behind the effect date of pay adjustments due to budget preparation and associated Congressional action on annual authorizing and appropriations legislation. It should also be noted that the enacted fiscal year 2011 1.4 percent pay increase and the proposed fiscal year 2012 adjustment are the smallest pay increases in recent memory and do not further reduce the pay gap.

The Association recommends that this distinguished Subcommittee provide funding for an active duty pay increase at least equal to the ECI so as not to increase the pay gap between civilian and military pay.

END STRENGTHS

Sufficient funding to support adequate end strengths for the military is vital for success in Afghanistan and to sustaining other operations vital to our national security. FRA is concerned about calls for reducing end strength in the out-years to save money on the defense budget while still engaged for almost 10 years of war in Iraq and Afghanistan, a third war in Libya, renewed violence in Korea late last year, and support for the natural disaster in Japan. The strain of repeated deployments continues and is reflected in troubling stress-related statistics that include alarming suicide rates, prescription drug abuse, alcohol use and military divorce rates. These are also related to the adequacy of end strengths and the need for adequate dwell time between deployments—issues that have been repeatedly addressed in Congressional oversight hearings.

RESERVE ISSUES

FRA stands foursquare in support of the Nation's Reservists. Due to the demands of the War on Terror, Reserve units are increasingly mobilized to augment active duty components. As a result, the Reserve component is no longer a strategic Reserve, but is an essential operational Reserve that is an integral part of the total force that has been at war for almost a decade. And because of these increasing demands, including missions abroad over longer periods of time, it is essential to ensure adequate funding for military compensation and benefits to retain currently serving personnel and attract quality recruits.

Retirement.—If authorized, FRA supports funding retroactive eligibility for the early retirement benefit to include Reservists who have supported contingency operations since 9/11/2001 (H.R. 181). The fiscal year 2008 Defense Authorization Act (H.R. 4986) reduces the Reserve retirement age (age 60) by 3 months for each cumulative 90-days ordered to active duty after the effective date (January 28, 2008) leaving out more than 600,000 Reservists mobilized since 9/11 for duty in Afghanistan and Iraq.

Family Support.—FRA supports resources to allow increased outreach to connect Reserve families with support programs. This includes increased funding for family readiness, especially for those geographically dispersed, not readily accessible to military installations, and inexperienced with the military. Unlike active duty families who often live near military facilities and support services, most Reserve families live in civilian communities where information and support is not readily available. Congressional hearing witnesses have indicated that many of the half million mobilized Guard and Reserve personnel have not received transition assistance services they and their families need to make a successful transition back to civilian life.

CONCLUSION

FRA is grateful for the opportunity to present these recommendations to this distinguished Subcommittee. The Association reiterates its gratitude for the extraor-

dinary progress this Subcommittee has made in funding a wide range of military personnel and retiree benefits and quality-of-life programs for all uniformed services personnel and their families and survivors.

Chairman INOUE. Thank you very much, Mr. Davis.
Senator Cochran.

Senator COCHRAN. Mr. Chairman, I think we should express our appreciation to Mr. Davis for being here and helping us understand the recommendations of his organization. We know it's one of the oldest organizations supporting active duty military personnel and has a record of achievement. We thank you for your continued interest.

Mr. DAVIS. Thank you.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I already thanked him. I got ahead of the panel a minute ago. But I will reiterate that.

Mr. DAVIS. You can thank me again.

Senator SHELBY. We appreciate you being here.

Mr. DAVIS. Thank you.

Senator SHELBY. Thank you.

Chairman INOUE. Thank you.

Now may I call upon Ms. Leighton. Ms. Leighton.

STATEMENT OF SUSAN LEIGHTON ON BEHALF OF THE OVARIAN CANCER NATIONAL ALLIANCE

Ms. LEIGHTON. Good morning, Mr. Chairman, Mr. Vice Chairman, and Senator Shelby. I'm honored to appear before you in support of the Ovarian Cancer National Alliance's request of \$20 million for the Department of Defense ovarian cancer research program, which I will henceforth refer to as the "OCRCP."

My name is Susan Leighton. I'm from Huntsville, Alabama, where my husband and I settled after his retirement from the United States Army as a chief warrant officer 3. I am also a veteran.

In the summer of 1997, at the age of 48, I was diagnosed with stage 3C ovarian cancer. Women diagnosed in later stages like myself have only a 20 percent chance of surviving 5 years. In an instant, I went from preparing to take my daughter to college to wondering whether I would see her graduate.

I was treated at the University of Alabama in Birmingham. My healthcare was paid for by my husband's military health plan. I was fortunate to enter treatment the year after two chemotherapeutic agents had been approved for use as first-time treatment of ovarian cancer. The combination of surgery and those two agents put me into remission. With the exception of one recurrence, I have remained with no evidence of disease.

The research that led to the discovery of those two agents saved my life. I saw my daughter graduate from Auburn University, begin a career, and walk down the aisle to marry. Unfortunately, the majority of women diagnosed do not have this fairy tale ending.

Ovarian cancer is a heterogeneous disease. Many women do not respond to the type of chemotherapy that helped me. The survival rate for this disease has remained fairly stable. Fewer than 50 percent of the approximately 21,000 women diagnosed each year will be alive in 5 years.

The solution to improving the survival rates is simple: Research. Being one of the handful of long-term survivors, I feel a responsibility to speak for other ovarian cancer patients. I have participated as a consumer reviewer on the OCRP panels for 2 years, bringing the patient's perspective to the table. As a reviewer, I help decide which research will benefit women diagnosed with ovarian cancer and those at risk of developing it in the future.

I have seen the focus move toward studying cellular pathways of cancer. We are on the precipice of understanding how ovarian cancer develops, grows, and spreads, and ultimately eliminating it.

I recently returned from the annual meeting of the American Society of Clinical Oncology, where I heard about studies of PARP inhibitors and anti-angiogenesis agents, which are showing promising results for ovarian cancer survivors. Many of those studies were funded by grants from the OCRP.

We are very aware of the current economic climate and understand the constraints you face when determining where best to allocate funds. For that reason, we are asking for flat funding of the OCRP in fiscal year 2012.

My cancer support group in Alabama has a memorial statue in our garden of life and remembrance. I have watched over the years as we have added name after name to that statue. The young man who engraves those names for us each year refuses to take payment, telling us that the only payment he wants is a call telling him that we have no new names to add. The only way this will happen is by eliminating ovarian cancer.

The situation in Alabama is no different than in Hawaii, Tennessee, Texas, or any other State. By flat funding the OCRP we will be able to maintain our current level of research and move closer to that goal.

Thank you for the opportunity to speak on behalf of women battling ovarian cancer today, and I'm happy to answer any questions. [The statement follows:]

PREPARED STATEMENT OF SUSAN LEIGHTON

Good morning, Mr. Chairman, Mr. Vice Chair and Members of the Subcommittee. I am honored to appear before you in support of the Ovarian Cancer National Alliance's request of \$20 million for the Department of Defense Ovarian Cancer Research Program (DOD OCRP), which I will henceforth refer to as the OCRP. My name is Susan Leighton. I am from Huntsville, Alabama, where my husband and I settled after his retirement from the United States Army as a Chief Warrant Officer, Three.

The Ovarian Cancer National Alliance (the Alliance) thanks the Subcommittee for the opportunity to submit comments for the record regarding the Alliance's fiscal year 2012 funding recommendations. We believe these recommendations are critical to ensure that advances can be made to help reduce and prevent suffering from ovarian cancer. For the last 14 years, the ovarian cancer community has worked to increase awareness of ovarian cancer and advocated for additional Federal resources to support research that would lead to more effective diagnostics and treatments.

As an umbrella organization representing more than 50 State and local groups, the Alliance unites the efforts of grassroots activists, women's health advocates and healthcare professionals to bring national attention to ovarian cancer.

As part of these efforts, Alliance advocates for continued Federal investment in the Department of Defense Congressionally Directed Medical Research Programs (CDMRP). The Alliance respectfully requests that the Senate Appropriations Subcommittee on Defense maintain the fiscal year 2011 funding level of \$20 million for the DOD OCRP in fiscal year 2012.

In the summer of 1997, at the age of 48, I was diagnosed with stage IIIC ovarian cancer. Women diagnosed in later stages, like me, have only a 20 percent chance

of surviving 5 years. In an instant, I went from preparing to take my daughter to college to wondering whether I would see her graduate.

I was treated at the University of Alabama. I was fortunate to enter treatment the year after two chemotherapeutic agents had been approved for use as first line treatment of ovarian cancer. The combination of surgery and those two agents put me into remission. With the exception of one recurrence, I have remained with no evidence of disease. The research that led to the discovery of those two agents saved my life. I saw my daughter graduate from Auburn University, begin a great career and walk down the aisle to marry. Unfortunately, the majority of women diagnosed do not have this fairy tale ending.

Ovarian cancer is a heterogeneous disease. Many women do not respond to the type of chemotherapy that helped me. The survival rate for this disease has remained relatively stable; fewer than 50 percent of the approximately 21,000 women diagnosed each year will be alive in 5 years. The solution to improving these survival rates is simple: research.

Being one of a handful of long-term survivors, I feel a responsibility to speak for other ovarian cancer patients. I have participated as a consumer reviewer on the OCRP panels for 2 years, bringing the patient's perspective to the table. As a reviewer, I help decide which research will benefit women diagnosed with ovarian cancer and those at risk of developing it in the future. I have seen the focus move toward studying cellular pathways of cancer. We are on the precipice of understanding how ovarian cancer develops, grows and spreads—and ultimately eliminating it. I recently returned from the annual meeting of the American Society of Clinical Oncology, where I heard about studies of PARP inhibitors and anti-angiogenesis agents, which are showing promising results for ovarian cancer survivors. Many of those studies were funded by grants from the OCRP.

The DOD OCRP, which belongs to U.S. Army Medical Research and Materiel Command (USAMRMC), complements but does not duplicate the important ovarian cancer research carried out by the National Cancer Institute (NCI). There are three critical differences between these research programs.

First, the OCRP funds innovative, high risk, high reward research which many large, non-DOD Federal research agencies do not have the flexibility to engage in.

Second, the OCRP is designed to prevent funding research that overlaps with other ovarian cancer research that has been funded by the NCI or other agencies. Before funding an award, OCRP grant managers are required to thoroughly check all sources of information to determine if a proposal is redundant of a previous OCRP grant or a grant awarded by another Federal agency such as the NCI.

Third, the OCRP pushes investigators to make rapid progress in their research by requiring them to reapply every funding cycle. Because proposal reviews conducted by the OCRP are double-blinded by investigator and research institution, an investigator's progress is evaluated on its own merit and must have sufficient new findings, data or ideas to warrant new funding. The OCRP's unique method of funding ovarian cancer research has yielded tremendous breakthroughs in the fight against ovarian cancer, including:

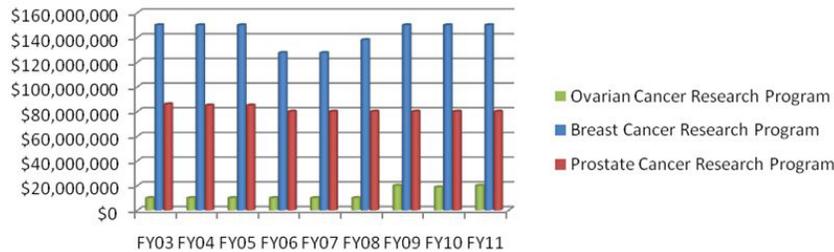
- a new treatment using nanoparticles to deliver diphtheria toxin-encoding DNA to ovarian cancer cells, leaving healthy cells unaffected;
- the discovery of a compound that potentially inhibits a form of ovarian cancer that makes up 40 percent of ovarian cancer tumors;
- the finding that ovarian cancer cells are sensitive to glucose deprivation and resveratrol treatment; and
- identification of the earliest molecular changes associated with BRCA1- and BRCA2-related ovarian cancers, leading to biomarker identification for early detection.

Cancer research performed by the DOD has been responsible for fundamentally changing the way cancer research is conducted. Many innovative practices and methods created by the CDRMPs have been adopted by the NCI, such as the use of cancer patients as consumer reviewers in the proposal review process. Furthermore, the CDRMP has created funding mechanisms to incentivize research that would fill voids in our understanding of cancer, which NCI has closely duplicated. One such example is the Idea Award Other awards originated by CDRMPs that have been duplicated by NCI are the Era of Hope Scholar and Concept Award mechanisms.

A Modest Research Program that Creates Jobs

The OCRP remains a modest program compared to the other cancer programs in the CDMRP:

Funding for ovarian, breast and prostate cancer CDMRP programs, FY 2003 - FY 2011



However, even with limited funding, the OCRP has been able to make vast strides in the fight against ovarian cancer. With flat funding for fiscal year 2012, the program can maintain current levels of research regarding screening, early diagnosis and treatment of ovarian cancer.

In a time that necessitates fiscal constraint, the OCRP has been designed to fund ovarian cancer research with extremely low overhead: only 4 to 8 percent of the Federal funding is used for administrative costs.

Additionally, biomedical research like that conducted through the DOD OCRP, is a major provider of jobs in the United States economy. A 2008 Families USA study found that for every NIH dollar invested in States, \$2 of economic output were created. Additionally, the report estimated that approximately 350,000 jobs were supported by medical research in 2007.

Ovarian Cancer's Deadly Statistics

In the 40 years since the War on Cancer was declared, ovarian cancer mortality rates have not significantly improved. We are very concerned that without continued funding in fiscal year 2012 for the DOD OCRP to continue ovarian cancer research efforts, the Nation will see growing numbers of women losing their battle with ovarian cancer.

The American Cancer Society estimates that in 2011, more than 21,000 American women will be diagnosed with ovarian cancer, and approximately 15,000 will lose their lives to this terrible disease. Ovarian cancer is the fifth leading cause of cancer death in women. Currently, more than one-half of the women diagnosed with ovarian cancer will die within 5 years. When detected early, the 5-year survival rate increases to more than 90 percent, but when detected in the late stages, the 5-year survival rate drops to less than 29 percent.

A valid and reliable screening test—a critical tool for improving early diagnosis and survival rates—still does not exist for ovarian cancer. Behind the sobering statistics are the lost lives of our loved ones, colleagues and community members. While we have been waiting for the development of an effective early detection test, thousands of our mothers, daughters, sisters and friends have lost their lives to ovarian cancer.

In 2007, a number of prominent cancer organizations released a consensus statement identifying the early warning symptoms of ovarian cancer. Without a reliable diagnostic test, we can rely only on this set of vague symptoms of a deadly disease, and trust that both women and the medical community will identify these symptoms promptly. Unfortunately, we know that this does not always happen. Too many women are diagnosed at late stage due to the lack of a test; too many women and their families endure life-threatening and debilitating treatments to kill cancer; too many women are lost to this horrible disease.

Our organization exists to ensure that women are diagnosed early, receive appropriate treatments, are active participants in their care and not just survive, but thrive. All women should have access to treatment by a gynecologic oncology specialist. All women should have access to a valid and reliable detection test. We must deliver new and better treatments to patients and the physicians and nurses who treat them. Until we have a test, we must continue to increase awareness and educate women and health professionals about the signs and symptoms associated with this disease.

Even with Limited Funding, OCRP Expands

Large ovarian cancer research teams do not exist in many academic medical or research centers. In order to provide much-needed mentoring, networking and a peer group for young ovarian cancer researchers, the OCRP created an Ovarian Cancer Academy award in fiscal year 2009. The OCRP Ovarian Cancer Academy is intended to develop a unique, interactive virtual academy that will provide intensive mentoring, national networking and a peer group for junior faculty. The overarching goal of this award is to develop young scientists into the next generation of successful and highly productive ovarian cancer researchers within a collaborative and interactive research training environment.

Additionally, in fiscal year 2010 the OCRP allowed ovarian cancer researchers to compete for the Consortium Award. The Consortium Development Award is an infrastructure development mechanism that provides support to create a Coordinating Center and establish the necessary collaborations at potential research sites for the development of a multi-institutional ovarian cancer research team. Participants in these consortiums will be scientists and/or clinicians who have made significant contributions to the field of ovarian cancer or who have a specific expertise related to the early changes associated with ovarian cancer progression.

Senate Support for Fiscal Year 2012 Appropriation Request

This year, the ovarian cancer community has been proactive in securing support for our fiscal year 2012 appropriation request. A letter addressed to you in support of the \$20 million appropriation for the OCRP was signed by Senators Robert Menendez and Olympia Snowe, who were joined by Richard Blumenthal, Susan Collins, Dick Durbin, Kirsten Gillibrand, Kay Hagan, John F. Kerry, Herb Kohl, Jeffrey Merkley, Debbie Stabenow and Ron Wyden.

A letter from Senator Robert Casey addressed to you in support of all medical research conducted by the Department of Defense through the Congressionally Directed Medical Research Program (CDMRP) was signed by Senators Barbara Boxer, Al Franken, Kirsten Gillibrand, Tim Johnson, John Kerry, Patrick Lautenberg, Jack Reed, Olympia Snowe, Jon Tester and Ron Wyden.

Summary

The Alliance maintains a long-standing commitment to work with Congress, the Administration, and other policymakers and stakeholders to improve the survival rate from ovarian cancer through education, public policy, research and communication. Please know that we appreciate and understand that our Nation faces many challenges and that Congress has limited resources to allocate; however, we are concerned that without the funding to maintain ovarian cancer research efforts, the Nation will continue to see many women lose their lives to this terrible disease.

We are very aware of the current economic climate, and understand the constraints you face when determining where best to allocate funds. For that reason, we are asking for flat funding of the OCRP in fiscal year 2012 at \$20 million.

My cancer support group in Alabama has a memorial statue in our Garden of Life and Remembrance. I have watched over the years as we added name after name to the statue. The young man who engraves those names each year refuses to take payment, telling us that the only payment he wants is a call telling him that we have no new names to add. The only way this will happen is by eliminating ovarian cancer. The situation in Alabama is no different than that in Hawaii, Tennessee, Texas or any other State. By flat-funding the Ovarian Cancer Research Program, we will be able to maintain our current level of research and move closer to that goal.

Thank you for this opportunity to speak on behalf of women battling ovarian cancer today. I am happy to answer any questions.

Chairman INOUE. I thank you very much, Ms. Leighton.

Ms. LEIGHTON. Thank you.

Chairman INOUE. Senator Cochran.

Senator COCHRAN. Mr. Chairman, I am reminded of the leadership that you and former Chairman Senator Ted Stevens have given to research in many different areas of troubling concern, not only to traditional threats to the life and good health of men and women in active duty situations, but to families and how they can be affected by misfortune and illness.

So I think of Ted Stevens and you working together over the years to make sure that funds are found where there is a need that

exists. I think this is an indication of one of those instances and we should respond in a favorable way.

Ms. LEIGHTON. Thank you.

Chairman INOUE. Thank you.

Senator Shelby.

Senator SHELBY. Mr. Chairman, I appreciate my constituent testifying here today. I also appreciate her sharing her story, because she is a survivor where a lot of women with ovarian cancer have not. As she said in her testimony, her written testimony, she was fortunate to enter a treatment the year after two breakthrough agents had come through, through research, for the treatment.

She also mentions in her—answers one of my questions that I posed to the subcommittee earlier, whether or not we were duplicating any of these things. She points out in her testimony—I think it's very important—that a lot of this research complements, but does not duplicate, the important ovarian research, cancer research, carried out by the National Cancer Institute, and the differences there. I think that's very, very important.

I'm proud to have her testify here. I like her story and what she's doing is trying to save other people's lives.

Thank you.

Ms. LEIGHTON. Thank you.

Chairman INOUE. I thank the panel very much. Thank you very much.

Our last panel: Dr. John Elkas, Society of Gynecologic Oncologists; and Mr. Jonathan Schwartz, representing ZERO—The Project to End Prostate Cancer.

May I call upon Dr. Elkas.

STATEMENT OF JOHN C. ELKAS, M.D., COMMANDER, U.S. NAVAL RESERVE, ON BEHALF OF THE SOCIETY OF GYNECOLOGIC ONCOLOGISTS

Dr. ELKAS. Chairman Inouye, Senator Cochran, Senator Shelby: Thank you for inviting me to testify in today's hearing. My name is Dr. John Elkas and I am here today on behalf of the Society of Gynecologic Oncologists and the millions of Americans touched each year by ovarian cancer, including our military families.

I practice medicine in the D.C. metropolitan area, where I am an associate clinical professor in the department of obstetrics and gynecology at the George Washington University Medical Center, and I am also a commander in the United States Naval Reserve and an adjunct associate professor of obstetrics and gynecology at the Uniformed Services University of the Health Sciences.

I am honored to be here and pleased that this subcommittee is focusing attention on the Department of Defense congressionally directed medical research program in ovarian cancer. Since its inception 14 years ago, the OCRP has targeted the highest needs in ovarian cancer research, funding high-risk, high-reward research on a range of issues from early cancer detection to personalized treatment and quality of life.

One in 69 women will develop ovarian cancer and less than one-half will survive for 5 years. One woman dies of ovarian cancer every hour in our country. It is expected that more than 22,000 women will be diagnosed with the disease this year and 14,000 women will die from the disease in 2011.

During the last 5 years, over 2600 members of our military or their families have been hospitalized for ovarian cancer or suspected ovarian cancer. These individuals have spent over 14,000 bed-days in military treatment facilities.

The Department of Defense ovarian cancer research program, which belongs to the U.S. Army Medical Research and Materiel Command, supports the forward momentum of critical research to understand, prevent, and treat this disease that affects the warfighter, military beneficiaries, and the general public.

The DOD OCRP is able to facilitate collaboration between civilian and military research programs and because of this it is able to share successes, such as raising the standard of care of both military and civilian populations, lowering the incidence, mortality, and burden of ovarian cancer, while in turn reducing the economic drain on society.

The OCRP's unique method of funding ovarian cancer research has yielded tremendous breakthroughs in the fight of ovarian cancer, such as a new treatment using nanoparticles to attack ovarian cancer cells while leaving healthy cells unaffected, the finding that ovarian cancer cells are sensitive to glucose deprivation, leading to more targeted treatments, and identifying the earliest molecular changes associated with BRCA1- and BRCA2-related ovarian cancers, leading to biomarker identification, again for early detection.

Today ovarian cancer researchers are still struggling to develop the first ovarian cancer screening test. With traditional research models largely unsuccessful, the innovator grants awarded by the DOD OCRP are integral in moving this field of research forward.

The Society of Gynecologic Oncology joins with the Ovarian Cancer National Alliance and the American Congress of Obstetricians and Gynecologists to urge this subcommittee to maintain Federal funding for the OCRP at \$20 million for fiscal year 2012. Military beneficiaries will benefit in the same way the American general public stands to gain from research on this deadly disease. For every dollar that is saved from reducing the cost of cancer care for our military, another dollar can be used to support the warfighter. The DOD ovarian cancer research program is making a difference in the lives of our military beneficiaries and the general public.

Thank you again for your attention to this request and for allowing me to testify before you today.

[The statement follows:]

PREPARED STATEMENT OF JOHN C. ELKAS

Mr. Chairman, Ranking Member and members of the subcommittee, thank you for inviting me to testify at today's hearing. My name is Dr. John C. Elkas and I am here today on behalf of the Society of Gynecologic Oncology. I practice medicine in the D.C. metropolitan area, where I am an associate clinical professor in the department of obstetrics and gynecology at the George Washington University Medical Center and in private practice in Annandale, Virginia. I am also a Commander in the U.S. Naval Reserve and an adjunct associate professor of obstetrics and gynecology for the Uniformed Services University of the Health Sciences in Bethesda, Maryland.

I am honored to be here and pleased that this subcommittee is focusing attention on the Department of Defense (DOD) Congressionally Directed Medical Research Program in Ovarian Cancer (OCRP). Since its inception now 14 years ago, the OCRP has targeted the highest needs in ovarian cancer research, funding high-risk, high-reward research on a range of issues from early cancer detection to personalized treatment and quality of life.

This morning, I will try to outline some of the important contributions this DOD program has made to ovarian cancer research, the well-being of our patients, and its relevance to our military and to their families. In fact, it is quite easy to demonstrate that this investment by the Federal Government has resulted in substantial benefits and value to medicine, to science and most importantly improved patient care.

As this subcommittee may know, ovarian cancer usually arises from the cells on the surface of the ovary and can be extremely difficult to detect. According to the American Cancer Society, in 2010, more than 22,000 women were diagnosed with ovarian cancer and approximately 14,000 lost their lives to this terrible disease. Ovarian cancer causes more deaths than all the other cancers of the female reproductive tract combined, and is the fourth highest cause of cancer deaths among American women. One of our biggest challenges lies in the fact that only 19 percent of all ovarian cancers are detected at a localized stage, when the 5-year relative survival rate approaches 93 percent. Unfortunately, most ovarian cancer is diagnosed at late or advanced stage, when the 5-year survival rate is only 31 percent.

Nationally, biomedical research funding has grown over the last decade through increased funding to the National Institutes of Health, in no small part to the amazing efforts of members of this Subcommittee. Yet funding for gynecologic cancer research, especially for the deadliest cancer that we treat, ovarian cancer, has been relatively flat. Since fiscal year 2003, the funding levels for gynecologic cancer research and training programs at the NIH, NCI, and CDC have not kept pace with inflation, with the funding for ovarian cancer programs and research training for gynecologic oncologists actually suffering specific cuts in funding due to the loss of an ovarian cancer Specialized Project of Research Excellence (SPORE) in 2007 that had been awarded to a partnership of DUKE and the University of Alabama-Birmingham. Were it not for the DOD OCRP, many researchers might have abandoned their hopes of a career in basic and translation research in ovarian cancer and our patients and the women of America would be waiting even longer for reliable screening tests and more effective therapeutic approaches.

As a leader in the Society of Gynecologic Oncology (SGO) and as a gynecologic oncologist who has provided care to women affiliated with the United States Navy, I believe that I bring a comprehensive perspective to our request for increased support. The SGO is a national medical specialty organization of physicians who are trained in the comprehensive management of women with malignancies of the reproductive tract. Our purpose is to improve the care of women with gynecologic cancer by encouraging research, disseminating knowledge which will raise the standards of practice in the prevention and treatment of gynecologic malignancies and cooperating with other organizations interested in women's healthcare, oncology and related fields. More information on the SGO can be found at www.sgo.org.

We, the members of the SGO, along with our patients who are battling ovarian cancer every day, depend on the DOD OCRP research funding. It is through this type of research funding that a screening and early detection method for ovarian cancer can be identified which will allow us to save many of the 14,000 lives that are lost to this disease each year.

During the last 5 years, over 2,600 members of our military or their families have been hospitalized for ovarian cancer or suspected ovarian cancer. These individuals have spent over 14,000 bed days of care in military treatment facilities.

The Department of Defense Ovarian Cancer Research Program (DOD OCRP) which belongs to U.S. Army Medical Research and Materiel Command (USAMRMC) supports the forward momentum of critical research to understand, prevent, and treat this disease that affects the warfighter, military beneficiaries, and the general public. DOD OCRP is able to facilitate collaboration between civilian and military research programs. Because the military is involved in research performed at civilian health facilities nationwide, the DOD OCRP is able to share successes and assist in raising the standard of care for both military and civilian populations, lowering the incidence, mortality and burden of this cancer, while in turn reducing the economic drain on society.

Therefore, on behalf of the SGO, I respectfully request that the Senate Appropriations Subcommittee on Defense maintain the fiscal year 2011 funding level of \$20 million for the OCRD for fiscal year 2012.

Department of Defense Ovarian Cancer Research Program: Building an Army of Ovarian Cancer Researchers

New Investigators Join the Fight

Since its inception in fiscal year 1997, the DOD OCRP has funded 236 grants totaling more than \$160 million in funding. The common goal of these research grants has been to promote innovative, integrated, and multidisciplinary research that will

lead to prevention, early detection, and ultimately control of ovarian cancer. Much has been accomplished in the last decade to move us forward in achieving this goal.

In Senator Mikulski's home State of Maryland, where many of my patients also live, the DOD OCRP has funded research on important questions such as:

- Defining biomarkers of serous carcinoma, using molecular biologic and immunologic approaches, which are critical as probes for the etiology/pathogenesis of ovarian cancer. Identifying biomarkers is fundamental to the development of a blood test for diagnosis of early stage disease and also ovarian cancer-specific vaccines;
- Developing and evaluating a targeted alpha-particle based approach for treating disseminated ovarian cancer. Alpha-particles are short-range, very potent emissions that kill cells by incurring damage that cannot be repaired; one to three alpha-particles tracking through a cell nucleus can be enough to kill a cell. The tumor killing potential of alpha-particles is not subject to the kind of resistance that is seen in chemotherapy; and
- Understanding of the molecular genetic pathways involved in ovarian cancer development leading to the identification of the cancer-causing genes ("oncogenes") for ovarian cancer.

In Senator Murray's home State of Washington, the DOD OCRP has funded five grants in the last 5 years to either the University of Washington or to the Fred Hutchinson Cancer Center to study research questions regarding:

- The usefulness of two candidate blood-based microRNA markers for ovarian cancer detection, and the identification of microRNAs produced by ovarian cancer at the earliest stages, which may also be the basis for future blood tests for ovarian cancer detection;
- The first application of complete human genome sequencing to the identification of genes for inherited ovarian cancer. The identification of new ovarian cancer genes will allow prevention strategies to be extended to hundreds of families for which causal ovarian cancer genes are currently unknown; and
- Proposed novel technology, stored serum samples, and ongoing clinical studies, with the intent of developing a pipeline that can identify biomarkers that have the greatest utility for women; biomarkers that identify cancer early and work well for the women in most need of early detection, that can immediately be evaluated clinically.

One of the first, and very successful, grant recipients from the DOD OCRP hails from the Fred Hutchinson Cancer Research Center in Seattle, Washington, Dr. Nicole Urban. Dr. Urban has worked extensively in the field of ovarian cancer early detection biomarker discovery and validation. Her current program in translational ovarian cancer research was built on work funded in fiscal year 1997 by the OCRP, "Use of Novel Technologies to Identify and Investigate Molecular Markers for Ovarian Cancer Screening and Prevention." Working with Beth Karlan, M.D. at Cedars-Sinai and Leroy Hood, Ph.D., M.D. at the University of Washington, she identified novel ovarian cancer biomarkers including HE4, Mesothelin (MSLN), and SLPI using comparative hybridization methods. These discoveries lead to funding in 1999 from the National Cancer Institute (NCI) for the Pacific Ovarian Cancer Research Consortium (POCRC) Specialized Program of Research Excellence (SPORE) in ovarian cancer.

The DOD and NCI funding allowed her to develop resources for translational ovarian cancer research including collection, management, and allocation of tissue and blood samples from women with ovarian cancer, women with benign ovarian conditions, and women with healthy ovaries. The DOD grant provided the foundation for what is now a mature specimen repository that has accelerated the progress of scientists at many academic institutions and industry.

In Senator Feinstein's home State of California, 25 grants have been funded by the DOD OCRP since the program was created in 1997 to study research questions such as:

- Strategies for targeting and inhibiting a protein called focal adhesion kinase (FAK) that promotes tumor growth-metastasis. With very few viable treatment options for metastatic ovarian cancer, this research could lead to drug development targeting these types of proteins;
- Developing a tumor-targeting drug delivery system using Nexil nanoparticles that selectively adhere to and are ingested by ovarian carcinoma cells following injection into the peritoneal cavity. The hypothesis for this research is that the selectivity of Nexil can be substantially further improved by attaching peptides that cause the particle to bind to the cancer cells and that this will further increase the effectiveness of intraperitoneal therapy; and
- Using several avenues of investigation, based on our understanding of the biology of stem cells, to identify and isolate cancer stem cells from epithelial ovar-

ian cancer. This has significant implications for our basic scientific understanding of ovarian cancer and may drastically alter treatment strategies in the near future. Therapies targeted at the cancer stem cells offer the potential for long-term cures that have eluded most patients with ovarian cancer.

In Senator Hutchinson's home State of Texas, 20 grants have been funded since the inception of the DOD OCRP in 1997, to study research questions regarding:

- Understanding the pre-treatment genomic profile of ovarian cancer to then isolate the predictive response of the cancer to anti-vasculature treatment, possibly leading to the identification of targets for novel anti-vasculature therapies;
- Ovarian cancer development directly in the specific patient and her own tumor. While this process has lagged behind in ovarian cancer and improving patient outcomes, it has shown great promise in other solid, tumor cancers; and
- Identifying the earliest molecular changes associated with BRCA1- and BRCA2-related and sporadic ovarian cancers, leading to biomarker identification for early detection.

As you can see from these few examples, the 236 grants have served as a catalyst for attracting outstanding scientists to the field of ovarian cancer research. In the 4 year period of fiscal year 1998–fiscal year 2001 the OCRP enabled the recruitment of 29 new investigators into the area of ovarian cancer research.

Federally Funding is Leveraged Through Partnerships and Collaborations

In addition to an increase in the number of investigators, the dollars appropriated over the last 13 years have been leveraged through partnerships and collaborations to yield even greater returns, both here and abroad. Past-President of the SGO, Dr. Andrew Berchuck of Duke University Medical Center leveraged his OCRP DOD grants to form an international Ovarian Cancer Association Consortium (OCAC) that is now comprised of over 20 groups from all across the globe. The consortium meets biannually and is working together to identify and validate single nucleotide polymorphisms (SNPs) that affect disease risk through both candidate gene approaches and genome-wide association studies (GWAS). OCAC reported last year in *Nature Genetics* the results of the first ovarian cancer GWAS, which identified a SNP in the region of the BNC2 gene on chromosome 9 (*Nature Genetics* 2009, 41:996–1000.)

Dr. Berchuck and his colleagues in the association envision a future in which reduction of ovarian cancer incidence and mortality will be accomplished by implementation of screening and prevention interventions in women at moderately increased risk. Such a focused approach may be more feasible than population-based approaches, given the relative rarity of ovarian cancer.

The DOD OCRP program also serves the purpose of strengthening U.S. relationships with our allies, such as Australia, the United Kingdom, and Canada. Dr. Peter Bowtell, from the Peter MacCallum Cancer Centre in Melbourne, Australia, was awarded a fiscal year 2000 Ovarian Cancer Research Program (OCRP) Program Project Award to study the molecular epidemiology of ovarian cancer. With funds from this award, he and his colleagues formed the Australian Ovarian Cancer Study (AOCS), a population-based cohort of over 2,000 women with ovarian cancer, including over 1,800 with invasive or borderline cancer. With a bank of over 1,100 fresh-frozen tumors, hundreds of formalin-fixed, paraffin-embedded (FFPE) blocks, and very detailed clinical follow-up, AOCS has enabled over 60 projects since its inception, including international collaborative studies in the United States, United Kingdom, and Canada. AOCS has facilitated approximately 40 publications, most of which have been released in the past 2 years.

One last important example of the value of the DOD OCRP's contribution to science is the program's focus on inviting proposals from the Historically Black Colleges and Universities and Minority-Serving Institutions. This important effort to reach beyond established clinical research partnerships expands the core research infrastructure for these institutions which helps them to attract new investigators, leveraging complementary initiatives, and supporting collaborative ventures.

Over the decade that the OCRP has been in existence, the 236 grantees have used their DOD funding to establish an ovarian cancer research enterprise that is much greater in value than the annually appropriated Federal funding.

Opportunities are Lost Because of Current Level of Federal Funding

These examples of achievement are obscured to a great degree by opportunities that have been missed. At this current level of funding, this is only a very small portion of what the DOD OCRP program could do as we envision a day where through prevention, early detection, and better treatments, ovarian cancer is a manageable and frequently curable disease. Consistently, the OCRP receives over 500 letters of intent for the annual funding cycle. Of this group, about 50 percent are

invited to submit full proposals. Prior to fiscal year 2009, the OCRP was only able to fund approximately 16 grants per year, a pay line of less than 7 percent. With an increase in funding to \$20 million in fiscal year 2009, \$18.75 million in fiscal year 2010 and \$20 million in fiscal year 2011, the program had been able to consistently fund more grants with the DOD being able to account for every dollar and how it is used.

Department of Defense Ovarian Cancer Research Program: Exemplary Execution with Real World Results

Integration Panel Leads to Continuous Evaluation and Greater Focus

By using the mechanism of an Integration Panel to provide the two-tier review process, the OCRP is able to reset the areas of research focus on an annual basis, thereby actively managing and evaluating the OCRP current grant portfolio. Gaps in ongoing research can be filled to complement initiatives sponsored by other agencies, and most importantly to fund high risk/high reward studies that take advantage of the newest scientific breakthroughs that can then be attributed to prevention, early detection and better treatments for ovarian cancer. An example of this happened in Senator Mikulski's and my home State of Maryland regarding the development of the OVA1 test, a blood test that can help physicians determine if a woman's pelvic mass is at risk for being malignant. The investigator, Zhen Zhang, Ph.D. at Johns Hopkins School of Medicine, received funding from an Idea Development Award in fiscal year 2003. Dr. Zhang discovered and validated five serum biomarkers for the early detection of ovarian cancer. This bench research was then translated and moved through clinical trials. The OVA test was approved by the FDA and is now available to clinicians for use in patient care.

More Than a Decade of Scientific Success

The program's successes have been documented in numerous ways, including 469 publications in professional medical journals and books; 576 abstracts and presentations given at professional meetings; and 24 patents, applications and licenses granted to awardees of the program. Investigators funded by the OCRP have succeeded with several crucial breakthroughs in bringing us closer to an algorithm for use in prevention and early detection of ovarian cancer.

The Society of Gynecologic Oncology joins with the Ovarian Cancer National Alliance and the American Congress of Obstetricians and Gynecologists to urge this Subcommittee to maintain Federal funding for the OCRP at \$20 million for fiscal year 2012. Military beneficiaries will benefit in the same way the general American public stands to gain from research in these deadly diseases. For every dollar that is saved from reducing the cost of cancer care for our military, another dollar can be used to support the warfighter. The DOD Ovarian Cancer Research Program is making a difference in the lives of military beneficiaries and the general public. I thank you for your leadership and the leadership of the Subcommittee on this issue.

Chairman INOUE. I thank you very much, Dr. Elkas.

Senator COCHRAN.

Senator COCHRAN. Mr. Chairman, we appreciate very much Dr. Elkas being here and bringing us up to date on the ovarian cancer research program. This subcommittee has supported this. Interesting how many women members of our Committee on Appropriations are mentioned in the testimony. It just reminds us that throughout not only the military, but our civilian population, more and more of our leaders are women, and it's certainly appropriate that this insidious illness is being targeted by your organization. We wish you well.

Dr. ELKAS. Thank you, sir.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I just want to pick up on some of his testimony.

One of our biggest challenges, you say, lies in the fact that only 19 percent of all ovarian cancers are detected at a localized and early stage, when the 5-year relative survival rate then would approach 93 percent. You point out most ovarian cancer is diagnosed

at a later, advanced stage when the 5-year survival rate drops down to 31 percent.

Tell me what research is being done and what promise is there to help do the early detection when the survival rate could be so high?

Dr. ELKAS. Thank you for your question, Senator. I'm excited because I think what makes the DOD OCRP program so unique and so wonderful is its ability to fund programs that would be otherwise very difficult to get funded through the NIH funding mechanism. Very recently, the FDA approved a screening test, a serum, a blood test that was developed through these dollars, that now better allows us to screen and detect ovarian cancer. It's not a perfect test, but it's certainly a step forward.

In the coming weeks, in my practice at Fairfax I'll operate on 20 women in the coming weeks and find one ovarian cancer. That's 19 unnecessary surgeries. From my 14 years on active duty service, bringing women back from overseas for surgeries, many of which unnecessary, but certainly had to be done because of our lack of a screening modality—we hope that advances like we've already made will continue to be made, and it's certainly your help that allows us to do that.

Senator SHELBY. What is your approach to the early treatment? If you could diagnose something or indications real early, would it, one, save a lot of lives? Obviously. It would save a lot of money, too, would it not?

Dr. ELKAS. Oh, absolutely, absolutely, Senator. Our survival for early stage ovarian cancer, stage 1 and stage 2, approaches 88, 85 percent.

Senator SHELBY. Something else that got my attention in here because, as I said earlier, I'm the ranking Republican on another subcommittee dealing with NIH and so forth, and I'm new as far as ranking. But you're pointing out that funding for this cancer research in this area has remained flat, if not declined, through that; and that there was one ovarian cancer specialized project of research excellence that had been awarded to Duke and the University of Alabama-Birmingham and it was cancelled. What happened there? Was it not promising or what happened, because I'd be very interested in that.

Dr. ELKAS. The specific details of that I will certainly forward you.

Senator SHELBY. Will you send it to me?

Dr. ELKAS. Absolutely.

Senator SHELBY. And I'll share it with the subcommittee.

Dr. ELKAS. Please.

Senator SHELBY. Thank you so much.

Dr. ELKAS. Thank you. Thank you for your time.

Chairman INOUE. Thank you very much.

Now may I call on Mr. Schwartz.

STATEMENT OF JONATHAN D. SCHWARTZ, CHAIRMAN, BOARD OF DIRECTORS, ZERO—THE PROJECT TO END PROSTATE CANCER

Mr. SCHWARTZ. Thank you. Mr. Chairman and distinguished members of the subcommittee: Thank you for the opportunity to

share my thoughts. I know this has been a long session and I admire your dedication. Hopefully the last is not least here.

My name is Jonathan Schwartz and I am the Chairman of the Board of Directors of ZERO—The Project to End Prostate Cancer. I'm here to stress the importance of research and the congressionally directed medical research program, and particularly the prostate cancer research program.

ZERO is a patient advocacy organization that raises awareness and educates men and their families about prostate cancer. Of particular importance to us is the issue of early detection. Not only do we operate a mobile screening program, we also work with policy-makers in Congress and throughout Government and other organizations to ensure that men have access to information and services to make decisions that are in the best interest of their health.

My dad was William Schwartz. He was diagnosed with prostate cancer at the age of 55. We thought he'd be okay because the cancer was detected early. Unfortunately, his cancer was very aggressive and had already spread to his lymph nodes. The doctors gave him just 2 years to live because back then there were very few treatment options for prostate cancer.

Thankfully, new treatments became available that extended his life. He fought the disease for 8 years, and during that gift of time he saw all his children get married, became a grandfather, and between chemo sessions was able to travel and enjoy the company of family and friends. He also volunteered as the first CEO of the National Prostate Cancer Coalition, which is now ZERO. He worked tirelessly to increase Federal research funding because he knew that research would help him and countless other men.

As a family, we enjoyed much of my dad's last years. But he also experienced great suffering. We saw firsthand the impact of this cruel disease.

My dad died at age 63, younger than when most people retire. We all miss him dearly and wonder what it would be like to have him in our lives today. I still find it hard to accept that he will never get to meet my two daughters and they'll never get to know their "Papa Bill."

Our family's experience has led me, my brother and sister, and of course our mom to care deeply about dad's cause. We don't want other families to go through this. We want the number of men suffering from prostate cancer to be as small as possible. Eventually we want that number to be zero.

I'm here today because of my dad. I'm here today because prostate cancer affects the family, not just the man. And as I mentioned, I'm here today because I want to stress the importance of research at the prostate cancer research program.

Prostate cancer is a disease that's diagnosed in over 200,000 American men each year and will kill nearly 34,000 men in 2011. It's the second leading cause of cancer-related deaths among men. One in six men, one in four African American men, will get prostate cancer, and some of them will be in their 30s. It is not just an old man's disease.

There is much controversy about prostate cancer and particularly the controversy over testing, when men should start getting tested, how often they should be tested, what type of treatment a man

should undergo when diagnosed. I recently met with my Georgia Senators on this topic. Senator Chambliss, a prostate cancer survivor whose life was saved by early detection, said it well when he said: "You have to know you have it to have a choice about treatment."

Despite what some people call overdiagnosis, the number of men dying from prostate cancer is rising. So, Mr. Chairman, the problem isn't the number of men we are or should be testing. The problem is knowing whether they have aggressive or indolent disease and whether or not they should be treated. The only way doctors will ever really know the answer to these questions is through advances that may be closer than we think.

Last year, research partially funded by the prostate cancer research program identified 24 different types of prostate cancer. Eight of these are aggressive forms of the disease. If we could identify what type of prostate cancer a man has, we could more effectively determine if he needs treatment and how aggressive that treatment should be. This would render moot the argument some make about the disease being overtreated and ultimately save men's lives.

Another innovative funding mechanism of the prostate cancer research program is the Clinical Trials Consortium. To address the significant logistical challenges of multi-center clinical research, the Clinical Trials Consortium was started to promote rapid phase 1 and phase 2 trials of promising new treatments for prostate cancer. Since 2005, nearly 90 trials with more than 2,600 patients have taken place, leading to potential treatments that will soon be available to patients. Two recently approved drugs, Xgeva and Zytiga, benefited from the consortium, accelerating their approval time by over 2 years.

Today, without adequate funding, the program could not support this award mechanism.

The prostate cancer research program is funding some of the most critical work in cancer today. The program uses innovative approaches to funnel research dollars directly into the best research to accelerate discovery, translate discoveries into clinical practice, and improve the quality of care and quality of life of men with prostate cancer. It is the only federally funded program that focuses exclusively on prostate cancer, which enables them to identify and support research on the most critical issues facing prostate cancer patients today. The program funds innovative, high-impact studies, the type of research most likely to make a difference.

I understand that the subcommittee is working under extremely tight budgetary constraints this year and the many tough decisions are ahead. This program is important to the millions of men who are living with the disease, those who have survived the disease, and those who are at risk for the disease, including our veterans and active duty military personnel.

Active duty males are twice as likely to develop prostate cancer as their civilian counterparts. While serving their country, the United States armed forces are exposed to deleterious contaminants such as Agent Orange and depleted uranium. These contaminants are proven to cause prostate cancer in American veterans. Unfortunately, the genomes of prostate cancer caused by Agent Or-

ange are the most aggressive strands of the disease and they also appear earlier in a man's life. In addition, a recent study showed that Air Force personnel were diagnosed with prostate cancer at an average age of just 48.

In closing, I ask that you support our fight against all cancers and in particular prostate cancer. Prostate cancer can and should be a 100 percent detectable and treatable cancer, and hopefully some day a preventable one. Please support the research conducted through the congressionally directed medical research program and the prostate cancer research program by maintaining their funding levels.

Thank you very much for your time. I'll be happy to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF JONATHAN D. SCHWARTZ

Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to share my thoughts. My name is Jonathan Schwartz, and I am Chairman of the Board of Directors of ZERO—The Project to End Prostate Cancer (ZERO). I am the son of William Schwartz, who fought prostate cancer for 8 years and volunteered as the first CEO of the National Prostate Cancer Coalition, which is now ZERO.

My dad was diagnosed at the age of 55. We thought that he would be okay since the cancer was detected early. The strain of prostate cancer that he was diagnosed with was very aggressive and had spread to his lymph nodes. Thankfully there were new treatments that extended his life. During that 8 year gift, he was there to see his children get married, become a grandfather, travel, and enjoy family and friends. He worked tirelessly because he knew that research would help him and countless other men.

My dad enjoyed much of his last years, but we also experienced great suffering. We saw firsthand the impact of this cruel disease. We all miss him dearly, and we are so saddened by all he has missed, including five more grandchildren. We often wonder what it would be like to have him in our lives today. Our family's experience has led me and my brother and sister to care deeply about dad's cause. We don't want other men and their families to go through this. We want the number of men suffering from prostate cancer to be as small as possible. Eventually, we want that number to be ZERO.

I am here today because of my dad. I am here today because prostate cancer affects the family, not just the man. I am here today because I want to stress the importance of research and particularly the Prostate Cancer Research Program and the other programs of the Congressionally Directed Medical Research Program.

Prostate cancer is a disease that is diagnosed in over 200,000 men each year and will kill nearly 34,000 men in 2011. It is the second leading cause of cancer related deaths among men and will inflict 1 in 6 men in their lifetime.

There are too many questions that continue to surround prostate cancer and too many uncertainties for us to just ignore this disease. It has been well publicized that cancer is killing less people every year, but the same cannot be said for prostate cancer. Prostate cancer deaths have continued to increase.

The answers to these questions are found in research. The Congressionally Directed Medical Research Program and the Prostate Cancer Research Program are funding some of the most critical work in cancer today. The program uses innovative approaches to funnel research dollars directly into the best research to accelerate discovery, translate discoveries into clinical practice, and improve the quality of care and life of men with prostate cancer.

An example of the innovative nature of the PCRCP is the Clinical Trials Consortium. To address the significant logistical challenges of multicenter clinical research, the PCRCP began support of a clinical trials consortium for rapid Phase I and Phase II clinical trials of promising new treatments for prostate cancer.

Since their first PCRCP award in 2005, each site has fulfilled key responsibilities in clinical trials design and recruitment. Nearly 70 trials with more than 1,800 patients have taken place, leading to potential treatments that will soon be at patients' bedsides. Two recently approved drugs (XGEVA and ZYTIGA) benefited from PCRCP funding and the consortium accelerating their approval time by over 2 years.

The PCRP has played a unique role by identifying two key research gaps inhibiting forward movement of clinical trials, multicenter intellectual property and regulatory issues. The program developed and funded mechanisms to reduce those barriers resulting in unprecedented accomplishments for recruiting participants over an 18-month period.

Today, without adequate funding, the PCRP cannot support this award mechanism.

I understand that the committee is working under extremely tight budgetary constraints this year and that many tough decisions are ahead. This program is important to the millions of men who are living with the disease, those who have survived the disease and those who are at risk for the disease including our veterans and active duty military personnel.

Active duty males are twice as likely to develop prostate cancer as their civilian counterparts. While serving our country, the United States' Armed Forces are exposed to deleterious contaminants such as Agent Orange and Depleted Uranium. These contaminants, particularly Agent Orange, are proven to cause prostate cancer in American Veterans. Unfortunately, the genomes of prostate cancer caused by Agent Orange are the more aggressive strands of the disease and appear earlier in a man's life. Studies have shown that military personnel at risk for the disease are also more likely to be diagnosed earlier in life.

In closing, I ask that you support our fight against all cancers and in my case in particular, prostate cancer. Support the research conducted through the Congressionally Directed Medical Research Program and the Prostate Cancer Research Program by maintaining their funding levels.

Chairman INOUE. Thank you, Mr. Schwartz.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, I think it's important to note that the testimony here reminds us that, while we are learning more about cancer, we are wondering why cancer is killing more people every year in the general population, including more prostate cancer. Prostate cancer seems to be on the rise. Some other life-threatening cancers seem to be on the decline.

Another thing I think in the witness's testimony that's appropriate for this subcommittee to consider when we decide how much funding is available, if any, for this program is that Agent Orange has been identified as a causal connector with prostate cancer for those who have been exposed to that substance. This is something I think is peculiarly of interest to the military and appropriate for this subcommittee's attention. So I'm hopeful that we can find a way to support, as this witness suggests, an increase in funding for prostate cancer research.

We appreciate your bringing these facts to the attention of the subcommittee.

Chairman INOUE. Senator Shelby.

Senator SHELBY. Mr. Chairman, I'll be brief, but I would be remiss if I didn't—I'm a 17-year-old—"17-year-old"—I'm a 17-year survivor of prostate cancer. I've been through that, as you went through it with your father and your family. A lot of people don't survive. It's my understanding that—I've been told that prostate cancer is the number two killer of men in this country. Research in new surgery procedures, everything, early diagnosis, has helped save a lot of lives.

I agree with Senator Cochran. We don't need to cut back on this because if we do break through the research, we're going to not only save lives, but on a policy level we will save money down the road. You can do both if we do it right.

Thank you, Mr. Chairman, for calling this hearing. This has been a very good hearing for me. As I've pointed out, I am the ranking

Republican over on the other subcommittee dealing with NIH and all the other, and I'm curious as to how this works and I've found out a lot today.

Thank you, Mr. Chairman.

Chairman INOUE. I thank you very much.

Three organizations have submitted testimony. Without objection, the testimony of Cummins, Incorporated, Washington State Neurofibromatosis Families, and the American Foundation for Suicide Prevention will be made part of the record along with any other statements that the subcommittee may receive.

On behalf of the subcommittee, I thank all the witnesses for their testimony, and the subcommittee will take these issues in consideration and I can assure you will look at it very seriously.

[The statements follow:]

PREPARED STATEMENT OF DR. WAYNE A. ECKERLE, VICE PRESIDENT, RESEARCH AND TECHNOLOGY, CUMMINS INC.

Cummins Inc., headquartered in Columbus, Indiana, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. The funding requests outlined below are critically important to Cummins' research and development efforts, and would also represent a sound Federal investment toward a cleaner environment and improved energy efficiency for our Nation. We request that the Committee fund the programs as identified below.

DEPARTMENT OF THE ARMY

Other Procurement

Budget Activity 03, Other Support Equipment, Line No. 177, Generators and Associated Equipment (MA9800), Medium generator Sets (5–60 kW) (M53500), Advanced Medium Mobile Power System (AMMPS).—Increase the Administration's request of \$11.6 million by \$28.4 million to bring the program total to \$40 million in fiscal year 2012. \$40 million was appropriated in fiscal year 2011 and fiscal year 2010. This program is critical to providing our troops with the latest technology in power generation. AMMPS generators are the latest generation of Prime Power Generators for the DOD and will replace the obsolete Tactical Quiet Generators (TQG's) developed in the 1980s. The AMMPS gensets are 21 percent more fuel-efficient, 15 percent lighter, 35 percent quieter, and 40 percent more reliable than the TQG. Generators are the Army's biggest consumer of diesel fuel in current war theatres. When AMMPS gensets are fully implemented, the Army and Marines will realize annual fuel savings of approximately 52 million gallons of JP-8 fuel and over \$745 million in savings based on fuel costs and current use pattern. This will mean fewer fuel convoys to bases in active war zones resulting in saved lives of military and civilian drivers. AMMPS generators are fully EPA compliant and will result in annual carbon emissions reductions of 509,698 metric tons CO₂ or 7.7 million metric tons over the expected life of the generators.

Research and Development Test and Evaluation Programs

Volume V-B, Budget Activity 05, System Development & Demonstration, Line No. 120, Program Element No. 0604854A: Artillery Systems, Paladin Integrated Management (PIM).—Support the Administration's request of \$120.1 million in fiscal year 2012. The M109A6 Paladin is the primary indirect fire weapons platform in the U.S. Army's Heavy Brigade Combat Team (HBCT) and is expected to be in the Army inventory through 2050. This request is to further develop Paladin Integrated Management (PIM) vehicles and conclude testing. The PIM effort is a program to ensure the long-term viability and sustainability of the M109A6 Paladin and its companion ammunition resupply vehicle, the M992 Field Artillery Ammunition Support Vehicle (FAASV). PIM is vital to ensuring the long-term viability and sustainability of the M109 family of vehicles (Paladin and FAASV). The program will significantly reduce the logistics burden placed on our soldiers, and proactively mitigate obsolescence. The system will feature improved mobility (by virtue of Bradley-based automotive systems), allowing the fleet to keep pace with the maneuver force.

Volume VII, Budget Activity 07, Operational Systems Development, Line No. 163, Program Element No. 0203735A: Combat Vehicle Improvement Program, Armored Multi-Purpose Vehicle (AMPV).—Support Administration's request of \$53.3 million in fiscal year 2012. The Armored Multi-Purpose Vehicle (AMPV) is a new Army initiated program to replace the M113 platforms, which cannot be optimized for future U.S. Army combat operations. The Army has identified a significant capability gap within the Heavy Brigade Combat Team (HBCT) formation. The Bradley Family of Vehicles are the most capable and cost effective platform for replacement of the M113. Along with established production, the recapitalized Bradley vehicles bring combat-proven mobility, survivability, and adaptability to a variety of missions. The Army currently has approximately 1,900 Bradley hulls that could be inducted into the production process. This low cost, low risk, Military-off-the-Shelf (MOTS) to replace the M113 addresses the significant capability shortfalls within the HBCT formation and is an efficient use of existing Government owned assets and existing Public-Private Partnership arrangements to bridge the modernization gap. Recapitalizing existing Bradley chassis provides the most survivable, mobile and protected solution for our soldiers at a significant lower cost.

Procurement of Weapons and Tracked Combat Vehicles (W&TCV)

Activity No. 01 Tracked Combat Vehicles, Line No. 07, Howitzer, Med Sp Ft 155MM M109A6 (MOD) (GA0400), Paladin Integrated Management (PIM).—Support Administration's request of \$46.88 million in fiscal year 2012. This is to begin low rate initial production vehicles for Paladin Integrated Management (PIM) procurement. The M109A6 Paladin is the primary indirect fire weapons platform in the U.S. Army's Heavy Brigade Combat Team (HBCT) and is expected to be in the Army inventory through 2050. The PIM program will incorporate Bradley-based drive-train and suspension components which reduce logistics footprint and decrease operations and sustainment costs. PIM is vital to ensuring the long-term viability and sustainability of the M109 family of vehicles (Paladin and FAASV). The program will significantly reduce the logistics burden placed on our soldiers, and proactively mitigate obsolescence. The system will feature improved mobility (by virtue of Bradley-based automotive systems), allowing the fleet to keep pace with the maneuver force. The system will improve overall soldier survivability through modifications to the hull to meet increased threats.

DEPARTMENT OF THE AIR FORCE

Other Procurement

Budget Activity 04, Other Base Maintenance and Support Equip, Item No. 61, Mobility Equip, Basic Expeditionary Airfield Resources.—Maintain the Administration's request of \$27 million in fiscal year 2012. Appropriations in fiscal year 2010 and fiscal year 2011 totaled \$29.7 million. Basic Expeditionary Airfield Resource (BEAR) is funded by the U.S. Air Force and is administered by the PM-MEP office. The BEAR product is an 800kW prime power mobile generator used by Combat Air Forces to power mobile airfields in-theatre and around the world. The finished product will replace the existing MEP unit that is 25 years old and will offer greater fuel economy, increased fuel options (JP8), improved noise reduction, and the latest innovative control technology and functionality. With the ever increasing global reach of the U.S. military, the need for reliable mobile power is paramount. This program is currently funded for the design, development and preproduction of 8 individual BEAR units. These units will undergo a battery of validation tests. Design and development of the BEAR product is on schedule. There is interest from other branches of the military for the BEAR product as well given the increased need for mobile electric power.

PREPARED STATEMENT OF KAREN GUNSUL, VICE PRESIDENT, WASHINGTON STATE
NEUROFIBROMATOSIS FAMILIES

Thank you for the opportunity to submit testimony to the Subcommittee on the importance of continued funding for research on Neurofibromatosis (NF), a terrible genetic disorder closely linked too many common diseases widespread among the American population.

On behalf of Washington State Neurofibromatosis Families (WSNF) a participant in a national coalition of NF advocacy groups, I speak on behalf of the 100,000 Americans who suffer from NF as well as approximately 175 million Americans who suffer from diseases and conditions linked to NF such as cancer, brain tumors, heart disease, memory loss and learning disabilities. I also speak from the heart as the

mother of a son who deals with NF every day. To find treatments and, ultimately, a cure, for this disorder would benefit him and countless others.

In fiscal year 2012, I am requesting \$16 million to continue the Army's highly successful Neurofibromatosis Research Program (NFRP), the same amount that was included for the NFRP in fiscal year 2011. The Peer-Reviewed Neurofibromatosis Research Program, one of the Department of Defense's Congressionally Directed Medical Research Programs (CDMRP), is now conducting clinical trials at nationwide clinical trials centers created by NFRP funding. These clinical trials involve drugs that have already succeeded in eliminating tumors in humans and rescuing learning deficits in mice. Administrators of the Army program have stated that the number of high-quality scientific applications justify a much larger program.

What is Neurofibromatosis (NF)?

NF is a genetic disorder involving the uncontrolled growth of tumors along the nervous system which can result in terrible disfigurement, deformity, deafness, blindness, brain tumors, cancer, and even death. NF can also cause other abnormalities such as unsightly benign tumors across the entire body and bone deformities. In addition, approximately one-half of children with NF suffer from learning disabilities. While not all NF patients suffer from the most severe symptoms, all NF patients and their families live with the uncertainty of not knowing whether they will be seriously affected because NF is a highly variable and progressive disease.

NF is not rare. It is the most common neurological disorder caused by a single gene and three times more common than Muscular Dystrophy and Cystic Fibrosis combined, but is not widely known because it has been poorly diagnosed for many years. Approximately 100,000 Americans have NF, and it appears in approximately 1 in every 2,500 births. It strikes worldwide, without regard to gender, race or ethnicity. Approximately 50 percent of new NF cases result from a spontaneous mutation in an individual's genes and 50 percent are inherited. There are three types of NF: NF1, which is more common, NF2, which primarily involves tumors causing deafness and balance problems, and schwannomatosis, the hallmark of which is severe pain. In addition, advances in NF research stand to benefit over 175 million Americans in this generation alone because NF is directly linked to many of the most common diseases affecting the general population.

NF's Connection to the Military

Neurofibromatosis Research addresses areas of great clinical need directly affecting the health of the warfighter. NF is a complicated condition closely connected to many common diseases and disorders that can lead to unmanageable pain, learning disabilities, cancer, orthopedic abnormalities, deafness, blindness, memory loss, and amputation. NF also involves inflammation similar to that involved in wound healing.

Pain Management.—Severe and unmanageable pain is seen in all forms of NF, particularly in one form of NF called schwannomatosis. Over the past 3 years, schwannomatosis research has made significant advances and new research suggests that the molecular or root cause of schwannomatosis pain may be the same as phantom limb pain. Research is currently moving forward to identify drugs that might be able to treat this pain, and these exciting findings could have broad applications for the military.

Wound Healing, Inflammation and Blood Vessel Growth.—Wound healing requires new blood vessel growth and tissue inflammation. Mast cells are critical mediators of inflammation in wound healing, and they must be quelled and regulated in order to facilitate this healing. Mast cells are also important players in NF1 tumor growth. In the past few years, researchers have gained deep knowledge on how mast cells promote tumor growth, and this research has led to ongoing clinical trials to block this signaling. The result is that tumors grow slower. As researchers learn more about blocking mast cell signals in NF, this research could be translated to the management of mast cells in wounds and wound healing.

Orthopedic Abnormalities and Amputation.—One-third of children with NF1 are at risk of developing orthopedic abnormalities that as a result break easily. In the leg particularly, repeated injuries lead to amputation below the knee, often in very young children. Recent research has identified the molecular basis of this, and drug trials in humans will begin in the next year. This research will lead to a deeper understanding of how to heal challenging bone breaks and directly benefit warfighters with major bone breakages or recurring bone breaks that heal poorly.

Three-Dimensional Clinical Imaging Technologies.—Because NF tumors are often large and abnormally shaped, they lend themselves well to the emerging technology of volumetric MRI. This is used to monitor tumor volume and growth as well as to monitor the effectiveness of a drug treatment to induce tumor shrinkage or ces-

sation of tumor growth. It is anticipated that MRI volumetric imaging could have broad applications in military use.

Link to Other Illnesses

Researchers have determined that NF is closely linked to cancer, heart disease, learning disabilities, memory loss, brain tumors, and other disorders including deafness, blindness and orthopedic disorders, primarily because NF regulates important pathways common to these disorders such as the RAS, cAMP and PAK pathways. Research on NF therefore stands to benefit millions of Americans.

Cancer.—NF is closely linked to many of the most common forms of human cancer, affecting approximately 65 million Americans. In fact, NF shares these pathways with 70 percent of human cancers. Research has demonstrated that NF's tumor suppressor protein, neurofibromin, inhibits RAS, one of the major malignancy causing growth proteins involved in 30 percent of all cancer. Accordingly, advances in NF research may well lead to treatments and cures not only for NF patients, but for all those who suffer from cancer and tumor-related disorders. Similar studies have also linked epidermal growth factor receptor (EGF-R) to malignant peripheral nerve sheath tumors (MPNSTs), a form of cancer which disproportionately strikes NF patients.

Heart disease.—Researchers have demonstrated that mice completely lacking in NF1 have congenital heart disease that involves the endocardial cushions which form in the valves of the heart. This is because the same ras involved in cancer also causes heart valves to close. Neurofibromin, the protein produced by a normal NF1 gene, suppresses ras, thus opening up the heart valve. Promising new research has also connected NF1 to cells lining the blood vessels of the heart, with implications for other vascular disorders including hypertension, which affects approximately 50 million Americans. Researchers believe that further understanding of how an NF1 deficiency leads to heart disease may help to unravel molecular pathways involved in genetic and environmental causes of heart disease.

Learning disabilities.—Learning disabilities are the most common neurological complication in children with NF1. Research aimed at rescuing learning deficits in children with NF could open the door to treatments affecting 35 million Americans and 5 percent of the world's population who also suffer from learning disabilities. In NF1 the neurocognitive disabilities range includes behavior, memory and planning. Recent research has shown there are clear molecular links between autism spectrum disorder and NF1; as well as with many other cognitive disabilities. Tremendous research advances have recently led to the first clinical trials of drugs in children with NF1 learning disabilities. These trials are showing promise. In addition because of the connection with other types of cognitive disorders such as autism, researchers and clinicians are actively collaborating on research and clinical studies, pooling knowledge and resources. It is anticipated that what we learn from these studies could have an enormous impact on the significant American population living with learning difficulties and could potentially save Federal, State, and local governments, as well as school districts, billions of dollars annually in special education costs resulting from a treatment for learning disabilities.

Memory loss.—Researchers have also determined that NF is closely linked to memory loss and are now investigating conducting clinical trials with drugs that may not only cure NF's cognitive disorders but also result in treating memory loss as well with enormous implications for patients who suffer from Alzheimer's disease and other dementias. Indeed, one leading Army funded researcher is pursuing parallel research into both NF and Alzheimer's simultaneously.

Deafness.—NF2 accounts for approximately 5 percent of genetic forms of deafness. It is also related to other types of tumors, including schwannomas and meningiomas, as well as being a major cause of balance problems.

The Army's Contribution to NF Research

While other Federal agencies support medical research, the Department of Defense (DOD) fills a special role by providing peer-reviewed funding for innovative, high-risk/high-reward medical research through the CDMRP. CDMRP research grants are awarded to researchers in every State in the country through a competitive two-tier review process. These well-executed and efficient programs, including the NFRP, demonstrate the government's responsible stewardship of taxpayer dollars.

Recognizing NF's importance to both the military and to the general population, Congress has given the Army's NF Research Program strong bipartisan support. From fiscal year 1996 through fiscal year 2011 funding for the NFRP has amounted to \$230.05 million, in addition to the original \$8 million appropriation in fiscal year

1992. In addition, between fiscal year 1996 and fiscal year 2009, 245 awards have been granted to researchers across the country.

The Army program funds innovative, groundbreaking research which would not otherwise have been pursued, and has produced major advances in NF research, including conducting clinical trials in a nationwide clinical trials infrastructure created by NFRP funding, development of advanced animal models, and preclinical therapeutic experimentation. Because of the enormous advances that have been made as a result of the Army's NF Research Program, research in NF has truly become one of the great success stories in the current revolution in molecular genetics. In addition, the program has brought new researchers into the field of NF. However, despite this progress, Army officials administering the program have indicated that they could easily fund more applications if funding were available because of the high quality of the research applications received.

In order to ensure maximum efficiency, the Army collaborates closely with other Federal agencies that are involved in NF research, such as the National Institutes of Health (NIH). Senior program staff from the National Institute of Neurological Disorders and Stroke (NINDS), for example, sits on the Army's NF Research Program Integration Panel which sets the long-term vision and funding strategies for the program. This assures the highest scientific standard for research funding, efficiency and coordination while avoiding duplication or overlapping of research efforts.

Thanks in large measure to this Subcommittee's support; scientists have made enormous progress since the discovery of the NF1 gene. Major advances in just the past few years have ushered in an exciting era of clinical and translational research in NF with broad implications for the general population. These recent advances have included:

- Phase II and Phase III clinical trials involving new drug therapies for both cancer and cognitive disorders;
- Creation of a National Clinical and Pre-Clinical Trials Infrastructure and NF Centers;
- Successfully eliminating tumors in NF1 and NF2 mice with the same drug;
- Developing advanced mouse models showing human symptoms;
- Rescuing learning deficits and eliminating tumors in mice with the same drug;
- Determining the biochemical, molecular function of the NF genes and gene products;
- Connecting NF to more and more diseases because of NF's impact on many body functions.

Fiscal Year 2012 Request

The Army's highly successful NF Research Program has shown tangible results and direct military application with broad implications for the general population. The program has now advanced to the translational and clinical research stages, which are the most promising, yet the most expensive direction that NF research has taken. The program has succeeded in its mission to bring new researchers and new approaches to research into the field. Therefore, continued funding is needed to take advantage of promising avenues of investigation, to continue to build on the successes of this program, and to fund this promising research thereby continuing the enormous return on the taxpayers' investment.

I respectfully request an appropriation of \$16 million in the fiscal year 2012 Department of Defense Appropriations bill for the Army's Neurofibromatosis Research Program.

In addition to providing a clear military benefit, the DOD's Neurofibromatosis Research Program also provides hope for the 100,000 Americans who suffer from NF, as well as over 175 million Americans who suffer from NF's related diseases and disorders. Leading researchers now believe that we are on the threshold of a treatment and a cure for this terrible disease. With this Subcommittee's continued support, we will prevail. Thank you for your support.

PREPARED STATEMENT OF THE AMERICAN FOUNDATION FOR SUICIDE PREVENTION

Chairman Inouye, Ranking Member Cochran and members of the Subcommittee. My name is John Madigan, Senior Director of Public Policy with The American Foundation for Suicide Prevention (AFSP). AFSP thanks you for the opportunity to provide testimony on the funding needs of programs within the Department of Defense that play a critical role in suicide prevention efforts.

AFSP is the leading national not-for-profit organization exclusively dedicated to understanding and preventing suicide through research, education and advocacy,

and to reaching out to people with mental disorders and those impacted by suicide. You can find more information at www.asfp.org and www.spanusa.org.

More than 1.9 million warriors have deployed for Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), two of our Nation's longest conflicts (IOM, 2010). The physical and psychological demands on both the deployed and non-deployed warriors are enormous. From 2005 to 2009, more than 1,100 members of the Armed Forces took their own lives, an average of 1 suicide every 36 hours. In that same period, the suicide rates among Marines and Soldiers sharply increased; the rate in the Army more than doubled. Numerous commissions, task forces, and research reports have documented the "hidden wounds of war"—the psychological and emotional injuries that have so affected our military members and their families. The years since 2002 have placed unprecedented demands on our Armed Forces and military families. Military operational requirements have risen significantly, and manning levels across the Services remain too low to meet the ever-increasing demand. This current imbalance places strain not only on those deploying, but equally on those who remain in garrison. The cumulative effects of all these factors are contributing significantly to the increase in the incidence of suicide and without effective action will persist well beyond the duration of the current operations and deployments. Heightened concern regarding this increase in suicides has led to development of scores of initiatives across the DOD to reduce risk (Final Report of DOD Task Force on the Prevention of Suicide by Members of the Armed Forces, August, 2010).

In testimony before this Subcommittee on May 18, Secretary of the Army John McHugh and General Martin Dempsey, Chief of Staff of the United States Army, called for the sustainment of \$1.7 billion to fund vital Soldier and Family programs. These programs provide a full range of essential services and include the Army Campaign for Health Promotion, Risk Reduction, and Suicide Prevention. Additionally, The fiscal year 2012 budget request includes adding 24 behavioral health officers and enlisted technicians to the National Guard Brigade Combat Teams and expands the Reserve component substance abuse program. It also included additional funding for 54 Suicide Prevention Program managers for the National Guard, 38 Suicide Prevention Program Managers for Army Reserve, and Applied Suicide Intervention Skills Training (ASIST) and kits for the Reserve component. AFSP commends the Department of the Army for their efforts to reduce suicides within their ranks, and urges this Subcommittee to provide the \$1.7 billion requested to sustain their important efforts.

While there is sufficient funding for suicide prevention research within DOD right now, these efforts need to be sustained to ensure sufficient resources are devoted to research in the long term. We believe that funding needs to be sustained for confidential treatment programs like the Army Confidential Alcohol Treatment and Education Pilot (CATEP) and TRICARE Assistance Program (TRIAP) which are helping to change the culture and decrease stigma toward behavioral health treatment. AFSP also urges this Subcommittee to fully fund the OSD Office for Suicide Prevention that was created this month.

In addition to Secretary McHugh and General Dempsey's request, AFSP urges this Subcommittee to fund the following programs or initiatives at the highest levels possible to address the unacceptably high rates of suicide among our military personnel.

Comprehensive Behavioral Health System of Care (CBHSOC)

General Eric Shoemaker outlined this program in his testimony before this Subcommittee on April 6. CBHSOC is based on outcome studies that demonstrate the profound value of using the system of multiple touch points in assessing and coordinating health and behavioral health for a soldier and Family. The CBHSOC creates an integrated, coordinated, and synchronized behavioral health service delivery system that will support the total force through all ARFORGEN (Army Force Generation) phases by providing full spectrum behavioral healthcare.

The CBHSOC is a system of systems built around the need to support an Army engaged in repeated deployments and its intent is to optimize care and maximize limited behavioral health resources to ensure the highest quality of care to Soldiers and Families through a multi-year campaign with a long-term goal of preventing suicide.

Yellow Ribbon Reintegration Campaign (YRRP)

The Yellow Ribbon Reintegration Program provides information, services, referrals, and proactive outreach to Soldiers, spouses, employers, and youth through the different stages of mobilization: pre-alert, alert, pre-deployment, deployment, post-deployment and reintegration.

Public Law 111–84, Section 595 gave the YRRP Office the responsibility for establishing a program to provide Reserve and National Guard Service members, and their families, training in suicide prevention, community healing, and response to suicide. The YRRP Office has engaged several national associations to provide ongoing assistance in coordinating with community based behavioral health providers and conducted a needs and gap analysis of all the Reserve Components existing suicide prevention programs. Continuation of these efforts will be vital in lowering the rate of suicides among our National Guard and Reserve personnel.

Air Force Suicide Prevention Efforts

In testimony before this Subcommittee on April 6, Lt. General (Dr.) Charles Green discussed numerous efforts on behalf of the United States Air Force that AFSP believes will reduce the rate of suicide in the Air Force. This includes the additional support the Air Force provides its most at-risk airmen with frontline supervisor's suicide prevention training given to all supervisors in career fields with elevated suicide rates, expanded counseling services beyond those available through chaplains and mental health clinics, Military Family Life Consultants and Military OneSource which provides counseling to active duty members off-base for up to 12 sessions.

Chairman Inouye, Ranking Member Cochran and Members of the Committee, AFSP once again thanks you for the opportunity to provide testimony on the funding needs of programs within the Department of Defense that play a critical role in suicide prevention efforts. With your help, we can assure those tasked with leading the Department of Defense's response to the unacceptably high rate of suicide among our military personnel will have the resources necessary to effectively prevent suicide.

CONCLUSION OF HEARINGS

Chairman INOUE. The subcommittee will stand in recess, but we will reconvene on Tuesday, June 28, at which time we'll meet in closed session to receive testimony on the fiscal year 2012 budget for intelligence activities. The subcommittee is recessed.

[Whereupon, at 1:06 p.m., Wednesday, June 22, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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